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DAILY REPORT

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MEXICAN NEWSPAPER INTERVIEWS ZHAO ZIYANG

Sino-Mexican Relations

OW070048 Beijing XINHUA in English 0030 GMT 7 Dec 86

[Text] Beijing, December 7 (XINHUA) -- Sino-Mexican cooperation has a solid basis and a bright future, Premier Zhao Ziyang told Regino Diaz Redondo, director of the Mexican newspaper, EXCELSIOR, in a recent interview here.

Zhao expressed satisfaction over the cooperation in every field between the two countries since diplomatic ties were established in 1972.

Both Mexico and China are big and developing countries with relatively rich natural resources and fairly high industrial and technological levels, the premier noted, adding that there are broad prospects for them to supplement each other.

Asian-Pacific Issues

OW070115 Beijing XINHUA in English 0056 GMT 7 Dec 86

[Text] Beijing, December 7 (XINHUA) -- Chinese Premier Zhao Ziyang said recently that China is willing to develop its cooperation with other countries in the Pacific region, particularly developing countries such as Mexico.

Such cooperation should be based on the principles of equality and mutual benefit, stressing practical results, diversification and common development, Zhao added.

Zhao made these remarks in an interview with Regino Diaz Redondo, director of the Mexican newspaper, EXCELSIOR, here December 4.

Commenting on the economic development of the Pacific basin countries including Mexico, Zhao said that the rapid economic development of most countries in the Asian-Pacific region in the past 20 years has drawn much attention from the international community.

"The economic development in this region has broad prospects and great potential, since the region has a vast territory and a large population, rich resources, abundant capital, fairly advanced technologies and a big market," Zhao added.

He said that, as a developing country in this region, China cannot develop its economy in isolation from the economic development of the whole region, adding that China's economic development will be conducive to the region's common development and prosperity.

"Both the developing and developed countries in the Asian-Pacific region," he said, "should formulate their own strategies for development and economic policies in the light of their own conditions so as to develop their own national economies through self-reliance and cooperation with other countries in this region."

He stressed that importance should be attached to cooperation among developing countries, which is part of the South-South cooperation. They can supply each others' needs and draw on each other's experiences in economic construction on the basis of equality and mutual benefit.

"Of course," he said, "cooperation between the developing and developed countries should also be given due attention, and the developed countries should take earnest and effective measures to help the developing ones."

Central American Situation

OW070123 Beijing XINHUA in English 0106 GMT 7 Dec 86

[Text] Beijing, December 7 (XINHUA) -- The three principles of the Contadora Group, self-determination, non-interference and peaceful solution, reflected the hopes of the Latin-American people and proved to be the right way to ease the tension in Central America.

This was stated by Chinese Premier Zhao Ziyang when he was interviewed by Regino Diaz Redondo, director of the Mexican newspaper "EXCELSIOR" three days ago.

In answer to questions raised by Diaz, whether the Contadora Group should keep its existence and how China responded to the Latin-American countries' attitude to this group and the U.S. attitude to issues of Central America, Zhao said China will stand firm on supporting the Contadora Group and praises highly the efforts for peace made by the group.

Zhao said the unstable situation in Central American not only resulted from its own economic and social reasons, but was also due to foreign interference.

He said, "We maintain that the domestic issues of the Central American countries should be solved by their own people without foreign interference. And the relations between countries, including those between the U.S. and Nicaragua, should be solved through equal and peaceful means and not by force."

"We hope that all countries involved in the conflict in Central America will accept the principles of the Contadora Group," said Zhao. "We oppose the U.S. support to Nicaragua's anti-government forces because it is a kind of interference."

Relations With U.S., USSR

OW070147 Beijing XINHUA in English 0136 GMT 7 Dec 86

[Text] Beijing, December 7 (XINHUA) -- China decides its foreign policy in line with the five principles of peaceful coexistence, Chinese Premier Zhao Ziyang said Thursday.

The premier made the remark in an interview with Regino Diaz Redondo, director of the Mexican newspaper "EXCELSIOR."

"In general, recent years have seen developments in Sino-U.S. relations," the premier said in reply to questions on Sino-U.S. and Sino-Soviet relations.

"Sino-U.S. relations are normal," he said, "though there are still obstacles, mainly the Taiwan issue."

"The past few years," Zhao said, "have seen improvement in Sino-Soviet ties, especially in the fields of economy, trade, science and technology, and in personnel exchange. But political relations have not yet been normalized with three main obstacles (the stationing of large Soviet troops along the Sino-Mongolian and Sino-Soviet border, Soviet invasion of Afghanistan and Soviet support of Vietnamese invasion against Kampuchea) remaining unsolved."

Zhao stressed that the relations between countries should be based on the five principles of peaceful coexistence (namely, mutual respect for territorial integrity and sovereignty, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence), which have stood the test of time since World War II. We can see that relations based on these principles can be of equality and harmony," he added.

Countries with the same social system or ideology, Zhao noted, will not necessarily have fine relations. They might even have tension or conflict.

"Therefore," the premier said, "in both Sino-U.S. and Sino-Soviet relations we adhere to the five principles of peaceful coexistence."

Sino-Soviet ties can also be normalized if the Soviet Union removes the three main obstacles, he stressed.

U.S.-USSR Arms Dialogue

OW070056 Beijing XINHUA in English 0037 GMT 7 Dec 86

[Text] Beijing, December 7 (XINHUA) -- Chinese Premier Zhao Ziyang said recently that China wishes for continued dialogue between U.S. and Soviet leaders.

Zhao made this remark during an interview with Regino Diaz Redondo, director of the Mexican newspaper "EXCELSIOR," on December 4.

"Although U.S. President Reagan and Soviet leader Gorbachev failed to reach any agreement during their meeting in Reykjavik, capital of Iceland," Zhao said, "dialogue is better than confrontation."

He said China hopes the two leaders will continue their dialogue and reach an agreement which will not harm the interest of any third party but be conducive to international peace and relaxation of tension.

"We do not harbor any illusions about this. The fact that the U.S. and Soviet leaders failed to reach any agreement at Reykjavik shows neither of the two countries has given up its basic position in seeking military superiority over the other," he added.

"If neither gives up this position," Zhao predicted, "it is impossible for their dialogue to achieve substantial progress."

"Their dialogue will be long-term bargaining and no substantial progress can be achieved in a short time. That is our general view of the U.S.-Soviet summit," he concluded.

UN PASSES CHINESE DISARMAMENT RESOLUTIONS

Text of Chinese Resolutions

OW062019 Beijing XINHUA in English 1946 GMT 6 Dec 86

[Text] United Nations, December 5 (XINHUA) -- The United Nations General Assembly Wednesday passed two draft resolutions presented by China calling for general and complete reductions of the world nuclear and conventional arsenals.

The resolution on nuclear disarmament reads:

The General Assembly,

Reaffirming the determination to save succeeding generations from the scourge of war, as expressed in the preamble to the charter of the United Nations.

Convinced that the most acute and urgent task of the present day is to remove the threat of a world war - a nuclear war.

Recalling and reaffirming the statements and provisions on nuclear disarmament set forth in the final document of the tenth special session of the General Assembly, the first special session devoted to disarmament, and in particular, the provisions that "effective measures of nuclear disarmament and the prevention of nuclear war have the highest priority", as contained in paragraph 20, and that "in the task of achieving the goals of nuclear disarmament, all the nuclear-weapon states, in particular those among them which possess the most important nuclear arsenals, bear a special responsibility", as contained in paragraph 48.

Bearing in mind that the ultimate goal of nuclear disarmament is the complete elimination of nuclear weapons.

Noting that the leaders of the Union of Soviet Socialist Republics and the United States of America agreed in their joint statement issued at Geneva on 21 November 1985 that "a nuclear war cannot be won and must never be fought" and the common desire they expressed in the statement calling for early progress in areas where there is common ground, including the principle of 50 percent reductions in the nuclear arms of the Soviet Union and the United States appropriately applied.

Also noting that the Union of Soviet Socialist Republics and the United States of America have held further bilateral negotiations on various issues of disarmament.

Further noting that the conference on disarmament has not played its due role in the field of nuclear disarmament.

Bearing in mind that the governments and people of various countries expect that the Union of Soviet Socialist Republics and the United States of America will reach agreement on halting the nuclear arms race and reducing nuclear weapons, so as to start the process of nuclear disarmament.

1. Expresses its deep concern that negotiations on nuclear disarmament should yield concrete results at the earliest possible time.

2. Urges the Union of Soviet Socialist Republics and the United States of America, which possess the most important nuclear arsenals, to discharge their special responsibility for nuclear disarmament, to take the lead in halting the nuclear arms race and to negotiate in earnest with a view to reaching early agreement on the drastic reduction of their nuclear weapons.

3. Reiterates its belief that bilateral and multilateral efforts for nuclear disarmament should complement and facilitate each other.

4. Decides to include in the provisional agenda of its forty-second session an item entitled "nuclear disarmament."

The resolution on conventional disarmament reads:

The General Assembly,

Reaffirming the determination to save succeeding generations from the scourge of war as expressed in the preamble to the charter of the United Nations.

Recalling the final document of the tenth special session of the General Assembly, the first special session devoted to disarmament and particularly its paragraph 81, which provides that together with negotiations on nuclear disarmament measures, the limitation and gradual reduction of armed forces and conventional weapons should be resolutely pursued within the framework of progress towards general and complete disarmament, and which stresses that states with the largest military arsenals have a special responsibility in pursuing the process of conventional armaments reductions.

Also recalling that the same document declares, inter alia, that priorities in disarmament negotiations shall be: nuclear weapons, other weapons of mass destruction, including chemical weapons, conventional weapons, including any which may be deemed to be excessively injurious or to have indiscriminate effects, and reduction of armed forces, and that it stresses that nothing should preclude states from conducting negotiations on all priority items concurrently.

Further recalling that the same document states that effective measures of nuclear disarmament and the prevention of nuclear war have the highest priority, and that real progress in the field of nuclear disarmament could create an atmosphere conducive to progress in conventional disarmament on a world-wide basis.

Aware of the dangers to world peace and security originating from wars and conflicts fought with conventional weapons, as well as their possible escalation into a nuclear war in regions with a high concentration of conventional and nuclear weapons.

Also aware that with the advance in science and technology, conventional weapons tend to become increasingly lethal and destructive.

Believing that resources released through disarmament, including conventional disarmament, can be used for the social and economic development of people of all countries, particularly the developing countries.

Bearing in mind its resolution 36/97 A of 9 December 1981 and study on conventional disarmament conducted in accordance with that resolution.

Bearing also in mind the effort is made to promote conventional disarmament and the related proposals and suggestions, as well as the initiative taken by various countries in the regard.

1. Reaffirms the importance of the efforts aimed at resolutely pursuing the limitation and gradual reduction of armed forces and conventional weapons within the framework of progress towards general and complete disarmament.
2. Believes that the military forces of all countries should not be used other than for the purpose of self-defense.
3. Urges the countries with the largest military arsenals, which bear a special responsibility in pursuing the process of conventional armaments reductions, and the member states of the two major military alliances, to continue negotiations on conventional disarmament in earnest, with a view to reaching early agreement on the limitation and gradual and balanced reduction of armed forces and conventional weapons under effective international control in their respective regions.
4. Encourage all states, while taking into account the need to protect security and maintain necessary defensive capabilities, to intensify their efforts and take, either on their own or in a regional context, appropriate steps to promote progress in conventional disarmament and enhance peace and security.
5. Requests the disarmament commission to consider, at its substantive session in 1987, issues related to conventional disarmament.
6. Decides to include in the provisional agenda of its forty-second session an item entitled "conventional disarmament."

Passage of Resolution Praised

HK070315 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 7 Dec 86 p 6

[Commentator's article: "Positive Move for Stimulating the Disarmament Process"]

[Text] The two motions proposed by China on reduction of nuclear and conventional weapons have been adopted by the UN General Assembly. This is the first time China has proposed motions on disarmament to the United Nations which won the support of the majority of member nations and achieved satisfactory results. This indicates that the Chinese Government's disarmament proposal conforms to the common desire of the people of all countries to reduce arms and safeguard world peace. The proposal will give enormous impetus to world peace and disarmament.

The Chinese Government and people have always attached great importance to the disarmament issue. China declared to the whole world from the very beginning that it will not be the first to use nuclear weapons. Last year the Chinese Government decided to cut its troops by 1 million. At a Chinese rally for world peace held this year, Premier Zhao Ziyang comprehensively explained the Chinese Government's basic stand on disarmament. At the present UN General Assembly, China again put forward its draft resolution on disarmament. This shows that China, as a founder of the United Nations and a permanent member state of its Security Council, has adopted a serious and responsible attitude toward disarmament and that the proposal made and positive move taken are sincere.

The two motions proposed by China include reduction of both nuclear and conventional weapons, and particularly stress that the Soviet Union and United States should be the first to act since they assume special responsibility for disarmament. Herein lies the key to whether progress can be made in disarmament. In the world today, the Soviet Union and United States possess the largest nuclear and conventional arsenals. The two big powers possess around 50,000 nuclear warheads and their nuclear weapons account for over 95 percent of the world's total. Their huge nuclear arsenals constitute the greatest menace to world peace and security of all countries, which is why the people of all countries have regarded the reduction of nuclear weapons as a top priority in disarmament. If the Soviet Union and United States can take the lead in drastically reducing their nuclear weapons, the nuclear menace confronting the people of all countries will be diminished. Naturally, the reduction of conventional weapons, a question not to be ignored, should be carried out simultaneously with the reduction of nuclear weapons. In this respect, the two superpowers also assume special responsibility.

The Chinese Government had stated long ago that China and the relevant countries will take corresponding moves in disarmament following the two superpowers' lead in drastically reducing their nuclear and conventional weapons which would reduce the menace to other countries. China will never hesitate in fulfilling the burden duties of a nuclear power.

The proposed disarmament motions expressed the consistent stand of the Chinese Government on disarmament and also accepted the reasonable suggestions of many countries. Disarmament, particularly nuclear disarmament, is a major event concerning the destiny and future of mankind. It is the target the people and government of all countries have strived for with unremitting efforts. To make disarmament a reality, we cannot place our hopes in the endless talks between the two superpowers. The arms control talks between the two superpowers have lasted for several decades. Their arsenals have expanded instead of reducing and the arms race for military superiority is still going on. For this reason, both big and small nations of the international community have the right to speak on this major issue. They should take an active part in the disarmament process and urge the United States and Soviet Union to reach substantial agreements as quickly as possible that will be advantageous to world peace and relaxation of the tense situation.

It is no easy job to make disarmament a reality. Nevertheless, so long as the people of all countries make concerted efforts and impel the United States and Soviet Union to fulfil their unshirkable duties toward disarmament, there will be hope for disarmament. Together with the people of all countries, the Chinese Government and people are willing to contribute to this objective.

PRC JOINS UN PROGRAM, COORDINATION COMMITTEE

OW060822 Beijing XINHUA in English 0819 GMT 6 Dec 86

[Text] United Nations, December 5 (XINHUA) -- China was elected today with 133 votes in favor at the U.N. General Assembly for the first time to the U.N. Committee for Program and Coordination.

The committee is responsible for evaluating the feasibility of U.N. meetings. Given the current U.N. financial crisis, the committee will, to a large extent, determine what and how many U.N. meetings should be cut and remain.

Japan and Indonesia were also elected as committee members. The three-year term for the three Asian members begins January 1, 1987.

LIAOWANG EXAMINES REAGAN'S IRAN DIPLOMACY

HK060344 Beijing XINHUA Hong Kong Service in Chinese 0218 GMT 6 Dec 86

[Text] Beijing, 6 Dec (XINHUA) -- The latest edition of LIAOWANG weekly, to be published 8 December, carries an article entitled "A Look at Reagan's Secret Diplomacy in Iran." Excerpts of the article follow:

U.S. President Reagan recently admitted publicly that the United States started secret diplomatic contacts with Iran 18 months ago, with the basic aim of improving relations between the two countries. The U.S. purpose in Iran is very understandable.

Iran's Ayatollah Khomeyni is 86 years old. What changes will occur in Iran in the future? Will it lean to the West or to the East? This is an issue of universal concern inside and outside Iran.

In fact, notable changes have already taken place in this Islamic regime's attitude to the outside world. A conspicuous example of this is the thaw and development of Iran's relations with the Soviet Union. Since 1984, the slogan "down with the Soviet Union" has been little heard. By this year, this northern neighbor was described by a senior Foreign Ministry official as "a friendly neighbor." However, it would be rash to infer from this that Iran will turn toward the Soviet Union. But no matter what, a marked turn for the better is occurring in Iranian-Soviet relations. This has aroused jealousy in the West, which is anxious to strike up ties with Iran. People believe that it was against this background that Reagans' former National Security Adviser Robert McFarlane went to Iran.

Iranian Parliament Speaker Rafsanjani was the first to break the news of McFarlane's trip. According to reports, McFarlane carried as gifts a pistol, a cake baked in the shape of a key, and a copy of the "Bible" signed by the President. Rafsanjani said that after the unlawful arrival of this uninvited guest, the top leaders in Iran immediately convened an emergency meeting, which lasted for 3 and 1/2 hours without producing unanimity of views. Khomeyni's advise was then sought. Khomeyni instructed: Nobody should meet him or receive his letter. McFarlane and his party were expelled after being held in a hotel for 5 days.

This news stunned Western public opinion. British newspapers said that Thatcher was extremely disappointed. In the United States, Reagan was charged with having seriously damaged America's image. Reagan fell into the most serious political crisis since he took office.

Reagan therefore had no choice but to make a television speech defending himself. Khomeyni strongly attacked him, saying that it was the United States that had broken off relations with Iran and now had no choice but to change its policy. The United States was pleading for the restoration of ties with Iran and calling for forgiveness, but the body of the Iranian people would not accept this. He also criticized Iranian leaders who had publicly adopted flexible measures toward the United States. It appears that the atmosphere and the basis for U.S.-Iranian political dialogue are not ready, at least for the moment.

Khomeyni is a man who does not like to be lonely. At present, opposition to the United States and to Israel is the great banner by which he rallies and summons the Islamic world, and first of all the Islamic revolutionary forces in the Arab world. Domestically, Khomeyni's banner has swept aside all kinds of political factions, one of whom was former Prime Minister Bazargan.

This man represented one political force; his Freedom Movement linked up with the National Front this year to form the Iranian Alliance for Ensuring the People's Rights. It has been very active. If the authorities are uncertain in their dealings with the United States, this force will rise up and cause problems for the Islamic clergy's national unification efforts.

The United States lacks an all-round comprehension of Iran's religious forces. In the storm of the Islamic revolution in 1979 the United States lost out in its support of the former Shah Pahlevi; now it is again caught in a dilemma in the face of the green flags of various factions. In the final analysis, however, the fact is that it is too anxious in competing with the Soviet Union for this strategic location. In such a case it could hardly avoid acting in an unscrupulous fashion, but it can hardly avoid getting into an embarrassing predicament if it fails.

XINHUA COMMENTARY ON U.S. ALLIES' SALT VIEWS

OW051602 Beijing XINHUA in English 1543 GMT 5 Dec 86

["Commentary: An Unwise Decision -- by Xia Zhimian" -- XINHUA headline]

[Text] Bonn, December 5 (XINHUA) -- When the United States put its 131st cruise-missile-carrying B-52 bomber into service last week, it burst through strategic nuclear weapon ceilings set by SALT-2, thus meaning the end of the trouble-laden treaty.

Word of the demise of SALT-2 quickly reached U.S. allies in Western Europe, and some promptly declared strong disagreement and wondered about the wisdom of the decision.

On the very day U.S. President Ronald Reagan announced the decision, French President Francois Mitterrand said it would be "very prudent and useful" if the U.S. respected SALT-2 provisions while it talked arms control with the Soviets.

Other U.S. allies, such as Britain, Federal Germany and Italy, expressed hope that the superpowers would continue to honor the treaty. Greek Prime Minister Andreas Papandreu was more direct in expressing his "great concern" at the violation which could lead to "terrible consequences."

What was behind the chilly response for the decision? The U.S. itself may have left the door open.

Last May, the U.S. threatened to break the SALT-2 ceiling by the end of the year. Even then this was strongly opposed by its western allies. They made every effort to convince the Americans that violation threatened Europe with a new round in the superpower arms race.

Despite the vehemence, Washington turned a deaf ear to the protests. Apparently, competing with the Soviets for the military advantage is a top priority at the White House.

The basis of the concern of the European allies is somewhat more complicated. There are three significant aspects.

First, the U.S. decision creates doubt about the sincerity of the West on arms control. Since the beginning of this year, Soviet leader Mikhail Gorbachev has presented a series of arms control proposals.

To some extent, each may be a reflection of Soviet hope to downsize the world's arsenals. Clearly though the plans are a sophisticated attempt to put world opinion behind the Soviets, which would put more pressure on the United States. The Soviets are learning to play to the audience.

Against this background, Reagan made the hasty trip to Iceland to meet Gorbachev last October. There he joined the Soviet leader to piously declare their resolve to slash their nuclear forces. Yet at this critical moment, the United States decided to add the last straw to the SALT-2 treaty.

Secondly, the U.S.-Soviet disarmament negotiations in recent decades have actually written a history of arms stockpiling. However, each side has tried to blame the other for their wanton military build-up.

Less than six weeks after the bold words at Iceland, Reagan shredded the SALT-2 pact with the flight of the huge bomber bristling with cruise missiles. He only seemed to be labeling himself as a man who is not as interested in nuclear disarmament as he professes.

Thirdly, the decision harmed relations between the U.S. and some of its Western European allies. In the past two years, some European countries have expressed growing concern over Washington's insistence on implementing its Strategic Defense Initiative (SDI), fearing that this program would put the arms race into orbit. Washington does not seem to hear these European protests any better than the ones about SALT-2. This cannot help but worsen relations.

Press called the end of SALT-2 "a step towards a wrong direction," on the road to an arms control agreement. Some even called Reagan's decision contrary to Europe's interests.

Whatever it is, the decision to end the SALT-2 has caused speculation about the President's judgement. Reagan may have made a serious gaffe in the game of superpower chess.

HU YAOBANG VISITS NEW SHANGHAI U.S. HOTEL

OW291934 Beijing XINHUA in English 1518 GMT 29 Nov 86

[Text] Shanghai, November 29 (XINHUA) -- The Hua Ting Sheraton Hotel, the second Chinese hotel managed by the U.S. Sheraton Company, opened for business today in Shanghai.

The 29-story new hotel, with 1,000 suites, is now the largest modern hotel in Shanghai. It is located in the southwestern part of the city, 20 minutes drive from Hongqiao Airport.

The hotel is owned by the Shanghai Tourist Bureau, and managed by Sheraton.

Hu Yaobang, general secretary of the Chinese Communist Party, went to see the new hotel before the opening ceremony while he was visiting Shanghai.

GENG BIAO MEETS U.S. SENATOR HECHT 5 DEC

OW051310 Beijing XINHUA in English 1243 GMT 5 Dec 86

[Text] Beijing, December 5 (XINHUA) -- Geng Biao, vice-chairman of the Standing Committee of the National People's Congress, met American Senator Chic Hecht and his senior advisor Michael Pillsbury here today.

USSR TO OBSERVE SALT DESPITE U.S. BREAKOUT

OW060238 Beijing XINHUA in English 0204 GMT 6 Dec 86

[Text] Moscow, December 5 (XINHUA) -- The Soviet Union said today it will abide by the SALT-2 limits on strategic nuclear arms for now, despite the U.S. decision to break the treaty.

"Taking into account the immense universal importance of the issue and the need to preserve the key constraint on the strategic arms race, the U.S.S.R. refrains for the time being from abandoning the limitations under SALT-1 and SALT-2," a government statement issued today by Soviet News Agency TASS said.

The United States deployed November 28 the 131st B-52 bomber equipped with cruise missiles, thus surpassing the ceiling of 1,320 cruise-carrying bombers and multiple-warhead missiles set out in the 1979 SALT-2 treaty.

"Washington is making a big mistake. The exceeding of the limits set by the SALT-2 will not strengthen U.S. security," the Soviet statement said.

"The United States' breakout from the SALT-2 Treaty ... fully lays bare the militarist essence of the U.S. policy for the whole world to see."

However, Moscow said it believes "that there is still an opportunity for stopping the dangerous course of events that is being provoked by the irresponsible actions of the present American administration."

"In America and outside it, it may be presumed, there is still enough political wisdom and the mere sense of self-preservation not to allow the wrecking of the entire structure of accords on the limitation of strategic arms that was created during 15 years," the Soviet Government said.

It was the second time the Soviets had unilaterally continued their obligations to arms limits. They have extended several times a moratorium on nuclear tests even though the United States has refused to follow suit.

U.S. President Ronald Reagan said his move only counters Moscow's violation of the SALT-2 Treaty, which was signed by President Carter and Leonid Brezhnev but never ratified by the U.S. Senate.

Reagan's decision to scrap SALT-2 has been criticized both by congressional leaders and NATO allies.

USSR SAYS U.S. SEEKS TO DISREGARD REYKJAVIK

OW080144 Beijing XINHUA in English 0129 GMT 8 Dec 86

[Text] Moscow, December 8 (XINHUA) -- The Soviet chief negotiator to the Geneva Arms Talks, Viktor Karpov, said on Soviet television Sunday that progress at the talks was being blocked by U.S. reluctance to give up its offensive nuclear capability.

At the "root of the problem" is the United States' unwillingness to abandon the Strategic Defense Initiative (SDI), commonly known as "Star Wars", Karpov said in his television speech.

The United States wants to disregard what the two nations achieved at the Reykjavik summit in October between Soviet leader Mikhail Gorbachev and U.S. President Ronald Reagan, he said, adding that Reykjavik had opened the possibility of wide-ranging arms reductions and even elimination of all strategic weapons.

Karpov said the United States only expects to reach an agreement on eliminating ballistic missiles, not all first-strike strategic nuclear weapons.

PENG CHONG MEETS USSR DELEGATION FROM TASS

OW060758 Beijing XINHUA in English 0739 GMT 6 Dec 86

[Text] Beijing, December 6 (XINHUA) -- Peng Chong, vice-chairman of the National People's Congress Standing Committee, met here today with a delegation from the Union of Journalists of the Soviet Union.

The delegation, led by Sergey A. Losev, vice-chairman of board of the Union of Journalists of the U.S.S.R. and director-general of the TASS Telegraph Agency, arrived here December 4 as guests of the All-China Journalists' Association.

During the meeting, Peng briefed the visitors on China's policy of opening to the outside world and the development of its special economic zones.

NPC DELEGATION MEETS USSR'S DEMICHEV IN MOSCOW

OW060150 Beijing XINHUA in English 0135 GMT 6 Dec 86

[Text] Moscow, December 5 (XINHUA) -- Soviet vice-president Petr Demichev today met with a delegation from China's NPC (National People's Congress) Finance and Economic Committee.

Demichev briefed the Chinese visitors on the development of social and economic reforms in the Soviet Union and its foreign policy. He expressed his satisfaction over the improvement of bilateral relations between the two countries.

Ye Lin, head of the delegation, said that exchanges between the parliaments of the two countries will help promote mutual understanding and friendship.

The delegation arrived here last Sunday.

XINHUA EXAMINES 'STALEMATE' IN AFGHANISTAN

OW061708 Beijing XINHUA in English 1638 GMT 6 Dec 86

["Year-End: War in Afghanistan Remains Stalemated (by Tang Shuifu)" -- XINHUA Headline]

[Text] Islamabad, December 6 (XINHUA) -- The war in Afghanistan remains at a stalemate as 1986 draws to a close, seven years after the Soviet Union invaded its small neighbor in December 1979.

In face of intensified Soviet military operations, the Mujahidin resistance took every opportunity to counterattack the occupying troops, which in turn makes it harder for the Soviets to extricate themselves from the war.

Since the beginning of this year, the Soviet Union has stepped up attacks on the freedom fighters, hoping to bring a swift end to the protracted struggle.

But instead of launching large-scale offensives as they had done in the past, the Soviet troops this year made a number of medium or small attacks on the guerrillas. Casualties on both sides exceeded those in the previous year.

The Soviet troops also changed their sweeping operations of the past into more precise attacks. Their military campaigns were concentrated along the Afghan-Pakistan border in the East and the Afghan-Iranian border to the West.

The Soviet attacks were aimed at destroying Mujahidin guerrilla bases, breaking prolonged sieges by the resistance of Kabul troop garrisons, sealing off the borders and cutting the guerrillas' supply routes.

In February this year, several thousand Soviet troops, backed by 300 tanks and armed vehicles and more than 40 aircraft, launched three operations on the Najoan region of Nangarhar Province east of Kabul near the border with Pakistan. The local resistance forces counterattacked and inflicted heavy losses on the invaders.

Soviet troops also attacked the Zavar region of the same province in April.

In Paktia and Konarha, neighboring border provinces to the south and north of Nangarhar, the Soviet troops besieged the guerrillas many times. Fierce fighting was also reported in the strategic region of Khowst.

The Soviet forces, again backed by tanks, armed vehicles and helicopters, repeatedly attacked the resistance forces in Herat, a western province which borders both the Soviet Union and Iran; in an attempt to seal off the Iranian frontier.

Besides, the Soviets stepped up operations in Kandahar province in the south and other provinces in central and northern Afghanistan.

To strengthen its control over the Kabul regime, the Soviets appointed Najibullah to replace the former head of the regime, Babrak Karmal.

Since Najibullah took over in May, he has pursued a policy of recruiting more soldiers and purged elements of the political and military circles in a bid to enhance the combat capability of the 30,000 government troops.

However, these moves were not likely to help to the Soviets in their fight with the guerrillas.

The resistance forces have repeatedly thwarted the attacks by the Soviets, who possess superior weaponry. As a result, the Soviets were only able to maintain control of major cities and key communication lines, while vast areas of the country remain in the hands of the resistance forces.

Since the seven major guerrilla organizations merged into the Islamic Alliance of Afghan Mujahidin (holy-war fighters) in May 1985, they have Soviets out of the country. In the past seven years of occupation, the Soviet Union has spent more than 10 billion U.S. dollars and lost 600 aircraft and 1,800 tanks and armed vehicles. Mujahidin leader Nabi Mohammadi [spelling of name as received] claimed recently that the Soviets have suffered 40,000 casualties.

During the war years, the Soviet troops have killed an estimated over one million Afghan civilians, most of them women and children.

As well, 4.5 million Afghans have been forced to seek refuge in foreign lands because of the occupation.

Moscow has played up its withdrawal of six regiments from Afghanistan in October, but even Soviet officers admitted that the withdrawn troops were mostly members of anti-aircraft forces, of little value in a battle against guerrillas with no aircraft.

The vast majority of United Nations members strongly condemn the Soviet occupation, with 122 nations in the General Assembly again voting this year for a resolution demanding the withdrawal of "foreign troops" from the country.

What worries the international community is the fact that there has been no apparent change in the Soviet stance on Afghanistan since Soviet leader Mikhail Gorbachev's July 28 speech in Vladivostok.

WU XUEQIAN AT BANGLADESH DONATION CEREMONY

OW181144 Beijing XINHUA in English 1036 GMT 18 Nov 86

[Text] Beijing, November 18 (XINHUA) -- A signing ceremony marking the Bangladesh Government's donation of one million U.S. dollars to a Beijing primary school was held here this morning at the school.

The 74-year-old First Experimental primary school is well known in China for it has trained a lot of talented people for the country.

It is learned that the contribution will be used to build a Sino-Bangladesh friendship gymnasium and a friendship hall on the school's new campus.

Chen Xitong, mayor of Beijing, and Anwar zahid, special envoy of the president of Bangladesh and information minister, who made a special trip here to hand over the donation, signed the agreement.

State Councillor and Foreign Minister Wu Xueqian and Bangladesh Ambassador to China Enayetullah Khan attended the signing ceremony.

Earlier, Wu met the special envoy and his party. Wu and Zahid agreed that the donation and the inauguration ceremony for the construction of the Buriganga Friendship Bridge with Chinese construction of the Buriganga Friendship Bridge with Chinese help, which was held today in Bangladesh, demonstrated that the mutual understanding and friendship between the two countries and two peoples have increased, and cultural exchanges have shown new development.

The Bangladesh guests were warmly welcomed by a deputy principal, teachers, and pupils of the school.

TECHNICAL COOPERATION WITH SRI LANKA TO INCREASE

OW291431 Beijing XINHUA in English 1101 GMT 29 Nov 86

[Text] Beijing, November 29 (XINHUA) -- Chinese and Sri Lanka representatives signed six agreements on technical cooperation at an international meeting which closed here today.

Under these agreements, China will receive a Sri Lanka study-tour group looking into China's leather goods production, and send technicians to demonstrate their skills in producing handcraft articles and provide technical guidance on low-cost house building materials production.

Meanwhile, Sri Lanka will help China train technicians on natural rubber and fat processing, and receive a Chinese study-tour group on Sri Lanka tourism.

The 6-day intergovernmental convention on technical cooperation among developing countries was jointly organized by the Chinese Government, the United Nations Development Program and the United Nations Department of Technical Cooperation for Development. Representatives from 26 countries of the Asian-Pacific Region, Latin American and the Caribbean region attended.

PAKISTAN'S PRIME MINISTER MEETS WU XIUQUAN

OW252120 Beijing XINHUA in English 1921 GMT 25 Nov 86

[Text] Islamabad, November 25 (XINHUA) -- Prime Minister Mohammad Khan Junejo said today the friendship between China and Pakistan has stood the test of time and now represents people to people relationship.

He made these remarks when he met here with Wu Xiuquan, member of the Standing Committee of the CPC (Communist Party of China) Central Advisory Commission and chairman of the Beijing Institute for International Strategic Studies. The Chinese delegation arrived here last night to pay a seven-day friendly visit to Pakistan.

Junejo recalled in the meeting that China was the first country he visited after his assumption of office as prime minister. The prime minister also stressed Pakistan's policy of developing friendly and good neighborly relations with the countries in the region.

The four-member Chinese delegation this morning visited the institute of regional studies and delivered a lecture on the basic principles of China's foreign policy and its perceptions of the threat to the region.

Wu listed the Afghan problem, the Iran-Iraq war, the Kampuchean war as the trouble spots threatened peace in the region and the world at large. On the Afghanistan issue, he said, China fully shares the concern of Pakistan and stresses the need for immediate withdrawal of Soviet troops from that country.

Talks With Zhao Ziyang

MEXICAN PRESIDENT DE LA MADRID CONTINUES VISIT

OW051202 Beijing XINHUA in English 1150 GMT 5 Dec 86

[Text] Beijing, December 5 (XINHUA) -- China and Mexico today expressed their desire to further cooperation in international affairs.

Chinese Premier Zhao Ziyang and Mexican President Miguel de la Madrid Hurtado agreed during their talks here earlier today that the two countries share identical views on all the international issues they discussed.

President de la Madrid said Mexico pursues a policy of peace and the principles of self-determination and non-interference in other countries' internal affairs. In recent years, he added, Mexico has been working for the promotion of disarmament and particularly nuclear disarmament.

The Mexico president said his country believes that new measures must be taken to solve international economic issues in order to promote just and balanced international trade and economic cooperation.

He reiterated that Mexico stands for strengthening international cooperation and the promotion of the North-South dialogue and South-South cooperation.

The Chinese premier warned that the world situation has remained tense and the danger of war still exists. However, he said, the growth of forces for peace have outstripped the growth of forces for war.

Zhao spoke highly of Mexico's contributions to world peace and disarmament. He said that China stands for a reduction of all arms and a total ban and complete destruction of nuclear weapons. He added China's view, the two superpowers, which share over 95 percent of the nuclear weapons in the world today, have special responsibilities for nuclear disarmament and should take the lead in eliminating their arsenals.

In the past two years, Zhao noted, China has taken unilateral action for disarmament. Although its level of armament is rather low, China has cut down one million troops and stopped atmospheric nuclear tests. A large part of its military production turned producing civil goods and its military spending has been reduced year by year.

At the 41st session of the General Assembly of the United Nations, Zhao said, China put forward two drafted resolutions on nuclear and conventional disarmament, which won the support of most countries including Mexico and were adopted by the General Assembly.

"We'd like to work together with all peace-loving countries for the realization of real disarmament," he added.

The economic problems faced by Third World countries, Zhao said, are related to the economic development of the whole world. Development is a political issue that concerns world peace and stability as well as economic advancement. "It is impossible to maintain peace and stability without the growth of the developing countries," he said.

Zhao said solutions must be sought to the many economic problems facing Third World countries. Problems such as a burdening debt, trade protectionism, prices for primary products and a lack of development funds. Solutions to these problems should be linked to the establishment of a new international economic order.

He said, both the North and South should shoulder the responsibility together. In the meantime, South-South cooperation should be strengthened in order to promote the North-South dialogue.

On the debt issue confronting Latin-American countries, the premier said, China fully supports Mexico's solution of "debt repayment through development." He said that both creditor and debtor nations should shoulder responsibility for the problem. The debt issue should be solved through development of debtor nations, but not at the expense of the economic development of debtor nations and the livelihood of their people.

Both the premier and the president expressed satisfaction with the smooth development of the Sino-Mexican relations in various fields. They also exchanged ideas on expanding their economic, trade and technical cooperation.

Meets Hu Yaobang

OW051250 Beijing XINHUA in English 1238 GMT 5 Dec 86

[Text] Beijing, December 5 (XINHUA) -- Chinese Communist Party (CPC) General Secretary Hu Yaobang met visiting Mexican president Miguel de la Madrid Hurtado here today.

On China's economic development and objective, Hu told the president that his country has developed very rapidly in the past eight years, which recorded the best economic results since the founding of New China in 1949.

Hu attributed the reason mainly to the implementation of invigorating the economy, namely enlivening the domestic economy and opening China to the outside world.

Meanwhile, Hu added, it is due to the practice of the country's independent and peaceful foreign policy and non-participation in arms race.

China's objective for the mid-21st century is to approach the level of the economically-developed countries, Hu said, "We will unite the people of all nationalities of the country and fill them with enthusiasm, so that they will make unremitting efforts to achieve this objective."

President de la Madrid said that the whole world is following China's reform with interest and admired the progress it has made during recent years.

He also briefed Hu on Mexico's historical development and current economic policies. Mexico is reforming its economic structure and carrying out financial readjustment for the sake of its economic growth.

During the meeting, the two leaders expressed their aspirations for the expansion of bilateral friendly relations and cooperation.

Hu said that China and Mexico have longstanding friendly relations, and expressed his joy over lofty bilateral friendship.

The president described his China trip as a continuation of the friendship between the two countries, adding that good bilateral political relations has laid a solid foundation for bilateral economic cooperation and trade.

Mexico attaches great importance to the development of its relations with countries in Pacific region and particularly with China, the president noted. "Through this visit they will strive to seek new areas and new channels for the expansion of bilateral economic cooperation and trade," he said.

Visits Mao Memorial Hall

OW051326 Beijing XINHUA in English 1313 GMT 5 Dec 86

[Text] Beijing, December 5 (XINHUA) -- Mexican President Miguel de la Madrid Hurtado and his wife laid a wreath at the Monument to the People's Heroes here this afternoon.

Later, they paid their respects to the remains of the late Chinese Communist Party leader Mao Zedong in the Chairman Mao Memorial Hall.

Zhao Ziyang Fetes at Banquet

OW051448 Beijing XINHUA in English 1432 GMT 5 Dec 86

[Text] Beijing, December 5 (XINHUA) -- China today expressed its sympathy with the Latin-American debtor countries for their difficult situation and support for the Cartagena Group's proposition for solving the debt issue.

Chinese Premier Zhao Ziyang made this statement at a banquet he gave for visiting Mexican President Miguel de la Madrid Hurtado and his wife here tonight.

The Cartagena Group is composed of Mexico and other principal Latin American debtor countries.

Zhao called on creditor countries and international monetary organizations to take into consideration the whole situation and the future of the world economy, adopt a positive and sensible attitude, and take effective measures to find ways to solve the problem.

He said the Chinese Government highly appreciates and will continue to support the efforts made by the Contadora Group for peacefully solving the Central America issue.

He said China hopes that the various parties involved in Central American conflicts will find a just and reasonable solution to the problems through peaceful negotiations on the basis of fully respecting the sovereignty and independence of various countries and strictly abiding by the international norm of non-interference in other countries' internal affairs.

Zhao also extended a welcome to the Mexican guests on behalf of Chinese President Li Xiannian.

Reviewing the long history of friendship between the Chinese and Mexican peoples, Zhao said Sino-Mexican relations have entered a new phase of overall growth since the establishment of diplomatic ties between the two countries in 1972.

This is characterised, he said, by increased contacts in various fields, expanded cooperation and exchanges in the economic, financial, scientific, technological, cultural, sports and tourism fields, growing mutual understanding and friendship, and strengthened mutual trust and cooperation.

He noted that it is China's unswerving policy to continue to expand Sino-Mexican friendly relations and cooperation, and that China will cooperate with the Mexican Government in this endeavor.

The Mexican president said that the friendship and mutual understanding between Mexico and China have been strengthened since 1972. Visits exchanged by leaders of the two countries in recent years testify to their political desire for mutual understanding and a closer relationship.

During his talks with the Chinese premier, the president said that they agreed that political, economic, scientific, technical, cultural and educational cooperation between the two countries have benefited them in various aspects.

He said that the two countries had agreed to upgrade their economic cooperation to the level of their friendly political relations, adding that the exchange of views by the Chinese premier and himself will benefit the two countries' cooperation in the iron, steel and mining industries, energy development and technology and culture.

Although worldwide economic difficulties may have a bad impact on economic cooperation between the two countries, he said, bilateral economic cooperation can still be promoted.

He said that encouraging progress made in cooperation projects between the two countries in finance, agriculture, fisheries and industry has brought about new prospects for further contacts between them.

He said that Mexico and China share identical views on many political conflicts and economic issues. Their mutual support at international forums and within international institutions, as well as their economic and technical cooperation and cultural exchanges have brought China and Mexico closer.

He said he believed that Mexico and China, which have no conflict of fundamental interests or pending problems to solve, have a solid basis for friendly cooperation to further their ties through common efforts.

Sino-Mexican Counterparts Meet

OW051902 Beijing XINHUA in English 1453 GMT 5 Dec 86

[Text] Beijing, December 5 (XINHUA) -- Wang Bingqian, Chinese state councillor and minister of finance, met Gustavo Petriccioli, Mexican secretary of the treasury and public credit, here today.

They exchanged views on external debts and expansion of economic and financial cooperation between the two countries.

This afternoon, Jiang Xinxiong, Chinese minister of nuclear industry, met Alfredo del Mazo, Mexican secretary of energy, mines and industry.

The two Mexican secretaries are here accompanying President Miguel de la Madrid Hurtado on his China visit.

De la Madrid Meets Businessmen

OW051904 Beijing XINHUA in English 1646 GMT 5 Dec 86

[Text] Beijing, December 5 (XINHUA) -- Though trade volume between Mexico and China is low, there are great potentials for bilateral cooperation, Mexican President Miguel de la Madrid Hurtado told Chinese businessmen here today.

Speaking at a meeting in the Mexican Embassy in Beijing, the president hoped Mexico and China would enhance mutual understanding and explore areas where they could supplement and boost each other's economy.

Hector Hernandez Cervantes, Mexican secretary of commerce and industrial development, and Claudio X. Gonzalez, chairman of the Enterprise Coordination Committee, and Silvestre Fernandez, chairman of the National Industrial Federation, also stressed the importance of bilateral cooperation.

Jia Shi, president of the China Council for Promotion of International Trade, and other trade officials pointed out that although China and Mexico each have difficulties, they can seek new ways and scopes of bilateral cooperation.

The two sides should promote their economic and trade cooperation and make it match the friendly political ties between the two countries, he added.

Jia Shi Meets Mexican Visitors

OW051911 Beijing XINHUA in English 1517 GMT 5 Dec 86

[Text] Beijing, December 5 (XINHUA) -- Jia Shi, president of the China Council for the Promotion of International Trade, said here today that there are great potentials for trade between China and Mexico.

At a meeting with a group of Mexican entrepreneurs, Jia hoped for more exchange of visits between the two countries so as to enhance mutual understanding and promote bilateral economic and trade cooperation.

Some Mexican entrepreneurs said that they would like to see the two countries' trade volume increase to one billion U.S. dollars. Jia said he is optimistic about the future, believing the target could be reached with joint efforts of the two sides.

During the meeting, the Mexican entrepreneurs briefed Jia on Mexico's economic and trade situation in recent years. They said they hoped to explore ways with China in barter trade, technological transfer and joint venture.

They also suggested signing an ocean shipping agreement with China and opening offices in Beijing to promote Mexican products into the Chinese market.

President Meets Deng Xiaoping

OW060754 Beijing XINHUA in English 0744 GMT 6 Dec 86

["Deng Xiaoping Calls for Boldness and Prudence in Political System Restructuring" -- XINHUA headline]

[Text] Beijing, December 6 (XINHUA) -- Restructuring of China's political system requires, first, boldness and resoluteness and, second, prudence, as it involves thousands upon thousands of people, China's senior leader Deng Xiaoping said here today.

Deng, chairman of the Communist Party Central Advisory Commission, made the remark at a meeting with Mexican President Miguel de la Madrid Hurtado.

Deng said people of his generation, the younger generation and the coming generations as well will carry out reforms along with the modernization drive. China will continue its policy of opening to the outside world and it values Mexico's experience in attracting foreign investment, he said.

Briefing his host on the development in Mexico, de la Madrid said Mexico is concerned about world peace as much as China does.

Deng said both China and Mexico are faced with two major tasks -- construction and peace. Both Third World countries, China and Mexico need a peaceful environment for construction. "On the whole," the senior leader said, "there is hope for peace and construction, but it requires our common efforts."

Deng said, the two countries have a long history of mutual understanding and they have been getting along well since they established diplomatic relations.

The president said Mexico is taking a great interest in China's development in various fields. He also told the host that he had very important talks with China's Premier Zhao Ziyang and the Communist Party General Secretary Hu Yaobang yesterday.

Lectures at Beijing University

OW070730 Beijing XINHUA in English 0708 GMT 6 Dec 86

[Text] Beijing, December 6 (XINHUA) -- Visiting Mexican President Miguel de la Madrid Hurtado told Chinese students here today that he hoped mutual respect and friendly relations between Mexico and China would be carried forward and passed on from generation to generation.

Making a public lecture at Beijing University this morning, de la Madrid said the two countries have reached agreements on extensive cooperation and exchanges, which will be enriched and expanded through redoubled efforts of both sides. He also dwelt on current international political and economic situation as well as Mexico's on-going process of modernization.

Such problems as foreign debts, lack of political desire for cooperation and regional conflicts have caused worldwide worry and concern, he noted. He said war and peace, the unequal trade terms and chaos in monetary affairs in international economic relations have required people to take prompt action and forecast future development.

Tours Great Wall

OWO61346 Beijing XINHUA in English 1256 GMT 6 Dec 86

[Text] Beijing, December 6 (XINHUA) -- Mexican President Miguel de la Madrid Hurtado and his wife toured the Badaling section of the Great Wall outside Beijing this afternoon. Braving a winter breeze, the couple climbed the wall and had pictures taken atop the magnificent building.

Asked about his impression, the president said he marvelled at the great defense project, adding that he was deeply impressed by the Chinese people's efforts to protect the wall which is regarded as one of the eight wonders in the world.

The distinguished Mexican guests also visited Ding Ling, one of the tombs for Ming Dynasty emperors. Earlier today, the Mexican president and his wife toured the Palace Museum.

Peng Chong Meets Senate Leader

OWO62043 Beijing XINHUA in English 1439 GMT 6 Dec 86

[Text] Beijing, December 6 (XINHUA) -- Peng Chong, vice-chairman of the National People's Congress (NPC) Standing Committee, met Antonio Riva Palacio, president of the Grand Commission of the Mexican Senate, and his wife here tonight.

Peng called Mexican President de la Madrid's current visit to China "a big event in the history of Sino-Mexican relations." He also expressed the belief that Riva Palacio's coming with the president will enhance the friendly ties between the two countries' parliaments.

Riva Palacio held that constant exchanges between Mexico and China are of vital importance to deepening the friendship between the two peoples. Later, Peng gave a dinner in honor of the guests.

Consular Treaty Signed

OWO70404 Beijing XINHUA in English 0211 GMT 7 Dec 86

[Text] Beijing, December 7 (XINHUA) -- A consular treaty between China and Mexico and an agreement on social and economic planning cooperation between the governments of the two countries were signed here this morning.

Chinese Premier Zhao Ziyang and visiting Mexican President Miguel de la Madrid Hurtado attended the signing ceremony.

Chinese State Councillor and Foreign Minister Wu Xueqian and Mexican Foreign Minister Bernardo Sepulveda Amor signed the agreement and treaty on behalf of their respective governments.

In addition, two other documents were also signed on the occasion, namely, an agreement on reciprocally providing a credit line to each other between the Bank of China and Banco Nacional de Comercio Exterior and a cooperation agreement between the China Council for the Promotion of International Trade and the same Mexican bank.

President Begins Sightseeing

OW070408 Beijing XINHUA in English 0221 GMT 7 Dec 86

[Text] Beijing, December 7 (XINHUA) -- Mexican President Miguel de la Madrid and his party left here by special plane this morning for Xian, capital of northwest China's Shaanxi Province.

Before their departure, Chinese Premier Zhao Ziyang bid him farewell at the Diaoyutai State Guesthouse.

The Mexican president and his party are accompanied by Chinese Minister of Metallurgical Industry Qi Yuanjing on the tour of other parts of China.

Views Xian Terracotta Warriors

OW071354 Beijing XINHUA in English 1301 GMT 7 Dec 86

[Text] Xian, December 7 (XINHUA) -- Mexican President Miguel de la Madrid Hurtado and his wife visited the Terracotta Warriors Museum 30 kilometres away from this ancient capital this afternoon. The president and his party were warmly welcomed at the museum.

Li Yunhui, deputy director of the museum, briefed the guests on the history of China's first emperor Qin Shi Huang and the construction of his tomb.

Afterwards, the guests walked down to the No. 1 vault and were delighted to have a close look at the terracotta warriors. The guests gently touched some terracotta warriors with their fingers and took photos in the vault as a memento.

Having visited the museum of the bronze chariot and horses and the second exhibition hall, the president wrote on the visitor's book: Congratulate Chinese archeologists on the excavation and renovation of this miracle.

The president and his party arrived here at noon by special plane from Beijing and were greeted by Li Qingwei, governor of Shaanxi Province, and Yuan Zhengzhong, mayor of Xian.

In the evening, Governor Li Qingwei gave a banquet in honor of the Mexican guests.

Holds Press Conference

OW071120 Beijing XINHUA in English 0818 GMT 7 Dec 86

[Text] Beijing, December 7 (XINHUA) -- Visiting Mexican President Miguel de la Madrid Hurtado expressed his satisfaction with the achievements scored during his China trip at a press conference here this morning.

During his visit, the president noted, he has had successful and satisfactory talks with Chinese leaders Chairman Deng Xiaoping, General Secretary Hu Yaobang and Premier Zhao Ziyang.

Through the talks, the two sides have further expanded and implemented to maintain bilateral relations in the political field, he said, adding that the talks indicate the unanimity in the foreign policies and principles pursued by the governments of the two countries, and that both countries stand for the principles of the people's self-determination, mutual non-interference and settlement of conflicts through peaceful means.

"We deem it imperative to further promote international cooperation for economic and social development, stressing North-South dialogue and South-South cooperation, while the two countries agree to the five principles of peaceful coexistence and reiterate their willingness to strive for peace, disarmament and the advancement of nation-to-nation cooperation," he said.

Mexico and China have attained a very high level of bilateral political relations and enjoy good cooperation in science, technology and cultural exchanges, the president noted. But both sides acknowledged that bilateral economic and trade relations still do not keep up with their good political relations.

The president noted that during his visit the two countries have signed some agreements aimed to expand bilateral economic and trade cooperation and that both sides have made headway in negotiations on the expansion of maritime transportation and concerning joint-venture trade enterprises.

Meanwhile, he added, "We have also witnessed that a number of joint ventures have been under way, and a dredging project with Mexican-Chinese investment is a case in point."

Mexico has clearly recognized that time and prolonged efforts are required to maintain good relations between the two countries, the president noted, hoping that Mexican-Chinese friendship will continue to grow.

When asked about the Central American situation, President Miguel de la Madrid Hurtado said the future of the conflicts in Central America are full of danger, adding that within the Contadora Group, Mexico is actively promoting political and peaceful negotiations, which are conducive to the settlement of conflicts.

"We hold that the escalation of violence is a threat not only to our brotherly people but to world peace, but we are convinced that reason and power will eventually prevail in the course of the settlement of the Central American conflicts," he said, adding that any escalation of military action cannot settle the conflicts in Central America.

With regard to the debt issue, the president noted it is a serious problem for the Latin American countries in the coming years. Premier Zhao Ziyang agrees to the position of the Cartagena Group and China also supports the position of this group in some international organizations and the U.N. General Assembly, he said. China likewise expressed its desire to further expand its international trade with Latin American countries.

The president also gave his views on the questions of peace and disarmament at the press conference.

DISCIPLINE INSPECTION COMMISSION ISSUES CIRCULAR

OW070034 Beijing XINHUA Domestic Service in Chinese 0648 GMT 5 Dec 86

[Text] Beijing, 5 Dec (XINHUA) -- The Discipline Inspection Commission of the CPC Central Committee recently issued a circular on the case of false accusations against Yang Minqian, director of the Taiyuan Solvent Plant. The circular called on party organizations in various localities and departments to draw a lesson from this case.

The circular says: A good comrade who actively promoted reform and made significant achievements in his work was framed and persecuted as an economic criminal. This constituted an erroneous case.

The Taiyuan City People's Procuratorate seriously reinvestigated and examined the case, discovered the real facts, and totally negated the untrue accusations lodged against him by some people. According to the facts discovered through investigation, the Taiyuan City CPC Committee totally redressed Yang Minqian's case, restored his position, dismissed Zhang Xuezhu -- who was mainly responsible for this erroneous case -- from the party, and took disciplinary action against several other people who were also responsible. The Taiyuan City CPC Committee's action was completely correct. The Taiyuan City Discipline Inspection Commission failed to promptly discover and stop this erroneous case from happening, so it should be held responsible for its oversight. The Shanxi Provincial Discipline Inspection Commission has analyzed this case and summed up a lesson to be learned by all concerned.

The circular points out: The main tasks of discipline inspection units are to preserve party rules and regulations, improve the party's conduct, and examine the implementation of the party's line, principles, policies, and resolutions. In the new situation, when the whole party and people of the whole country are engaged in carrying out reform, those tasks must insure and promote the successful implementation of reform. In order to support, protect, and promote reform, we must firmly oppose and correct those persons and things that obstruct and disrupt the reform work. During the past several years, discipline inspection commissions at various levels have, under the leadership of the party Central Committee and party committees at the same level, investigated and handled many cases where law and discipline were violated by taking advantage of the transitional period and loopholes in carrying out the reform work. Their actions have played a significant role in insuring the healthy development of reform. At the same time, we should prudently and promptly help those comrades who have shortcomings or who committed some mistakes due to lack of experience when they made genuine efforts to promote reform. We should clarify right and wrong in the spirit of seeking truth from facts and help them sum up their experiences and draw lessons from their mistakes. In this way, we shall enable them to set their minds at rest and continue to make progress. This is completely necessary in order to support and protect reform.

The circular points out: At present, we must understand that reform is an extensive, profound, and prolonged transformation. Its clash with inherent models, traditional concepts, and habitual forces that are unfavorable to or hinder the reform work is unprecedented. It will certainly hurt some people's vested interests and therefore meet with resistance. If those resistant forces are due to lack of understanding, we should solve those problems through democratic education and persuasion. There are those people who, out of their own self-interest, create obstacles and difficulties for reform, exaggerate the shortcomings of comrades who have carried out reform, or bear resentment and retaliate against such comrades by fabricating facts and framing them.

Party organizations and discipline inspection departments at various levels must firmly and thoroughly investigate and strictly handle those cases when they are discovered. Those persons who, with evil and serious intent, obstruct reform should be punished by judicial departments according to the law. We must not take a laissez-faire attitude. If we let them go unchecked, we will be derelict in our duty. This will hinder and damage the reform work. Discipline inspection commissions at various levels should pay attention to finding such typical cases and make them known to the public. We should educate the broad masses of party members, cadres, and people and enable all party organizations and people of the whole country to heighten their understanding of the reform work. In this way, they will not only plunge themselves into the reform work but also dare to fight against all those who obstruct and undermine it thus insuring the smooth progress of reforming socialist economic and political structures.

SHANGHAI WORKERS GIVEN MORE FREEDOM TO GO ABROAD

BK061450 Hong Kong AFP in English 1438 GMT 6 Dec 86

[Text] Beijing, Dec 6 (AFP) -- Shanghai residents that wish to go abroad to work may now arrange to do so through their friends and relatives in addition to official channels, city officials have announced. Under trial regulations announced Friday people applying to work abroad must get approval from their work units and sign a legal contract with their overseas employers, the NEW CHINA NEWS AGENCY (NCNA) reported. Until now China has contracted only for organized labor services under government supervision, the report said. Chinese with official approval may also go abroad for study or emigration.

Analysts said the new rules could facilitate the export of Shanghai residents to work as household domestics and at other tasks not easily organized on a group basis.

Tens of thousands of Chinese have worked abroad in recent years, with the majority going to work on fixed-term construction projects requiring large crews, observers said.

TEXT OF PEOPLE'S CONGRESS ELECTORAL LAW REVISION

OW051400 Beijing XINHUA Domestic Service in Chinese 0201 GMT 4 Dec 86

[Text] Beijing 4 Dec (XINHUA) -- Electoral Law for the National People's Congress and local people's congresses at various levels of the People's Republic of China.

(Adopted at the second session of the 5th NPC on 1 July 1979)

Revised for the first time at the 5th session of the 5th NPC on 10 December 1982 in accordance with the "Resolution on the Stipulations Concerning Revision of the Electoral Law for the National People's Congress and Local People's Congresses at Various Levels of the PRC"

Revised for the second time at the 18th session of the 6th NPC Standing Committee on 2 December 1986 in accordance with the "Decision on Revision of the Electoral Law for the National People's Congress and Local People's Congress and Local People's Congresses at Various Levels of the PRC".

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Electoral Law for the National People's Congress and Local People's Congresses at Various Levels of the People's Republic of China [subhead]

Chapter I. General Principles

Article 1. The Electoral Law for the NPC and Local People's Congresses at Various Levels is formulated in accordance with the Constitution of the People's Republic of China.

Article 2. Deputies to the NPC and to the People's Congresses of provinces, autonomous regions, municipalities directly under the central government, cities divided into districts and autonomous prefectures shall be elected by people's congresses at the next lower level.

Deputies to those People's Congresses of cities not divided into districts, municipal districts, counties, autonomous counties, townships, national townships, and towns shall be elected directly by the voters.

Article 3. Citizens of the People's Republic of China who have reached the age of 18 have the right to vote and stand for election regardless of nationality, race, sex, occupation, social origin, religious belief, education, property status, or length of residence.

Persons who have been deprived of their political rights by law shall not have the right to vote nor stand for election.

Article 4. Each voter shall have only one vote.

Article 5. The Chinese People's Liberation Army shall conduct separate elections, and regulations governing such elections shall be drawn up separately.

Article 6. An appropriate number of returned Overseas Chinese deputies should be elected to the NPC and the People's Congresses of the localities where a comparatively large number of returned Overseas Chinese live.

The Overseas Chinese, who are citizens of the People's Republic of China and have come home during the election of deputies to the People's Congress below the county level, can vote in their native places or places of residence before their departure from China.

Article 7. The NPC Standing Committee shall preside over the election of deputies to the NPC. The Standing Committee of the People's Congress of a province, an autonomous region, a municipality directly under the central government, a city divided into districts or an autonomous prefecture shall preside over the election of deputies to the People's Congress at its own level.

An election committee shall be established in a city not divided into districts, a municipal district, an autonomous county, a township, a national township or a town to preside over the election of deputies to the People's Congress at its own level. The election committee of a city not divided into districts, municipal district, county or autonomous county shall be under the leadership of the Standing Committee of the People's Congress at its own level. The election committee of a township, national township or town shall be under the leadership of the election committee of a city not divided into districts, municipal district, county or autonomous county.

The Standing Committee of the People's Congress of a province, an autonomous region, a municipality directly under the central government, a city divided into districts or an autonomous prefecture shall guide the election of deputies to the People's Congress below the county level within its own administrative division.

Article 8. Election expenses for the NPC and the local People's Congresses at all levels shall be disbursed by the National Treasury.

Chapter II. Number of Deputies to Local People's Congresses at All Levels.

Article 9. The number of deputies to the local People's Congresses at all levels shall be decided by the respective Standing Committees of the People's Congresses of various provinces, autonomous regions, and municipalities directly under the central government in accordance with the principle of facilitating meetings to discuss and solve problems as well as ensuring that various nationalities, areas and circles shall have an adequate number of deputies; the number of deputies so decided shall be reported to the NPC Standing Committee for the record.

Article 10. The number of deputies to the People's Congress of an autonomous prefecture, a county or an autonomous county shall be distributed by the Standing Committee of the People's Congress at its own level in accordance with the principle that the number of people represented by one deputy in a rural area is equal to four times the number of people represented by one deputy in a town. A township, national township, or town with an exceptionally small population should be represented by at least one deputy.

Within the administrative division of a county or an autonomous county, the number of deputies to the People's Congress of a town with a larger population, or an enterprise or institution not under the jurisdiction of the county people's government, may be distributed in accordance with the principle that the number of people represented by one deputy in a rural area is equal to four times up to one time the number of people represented by one deputy in a town with the decision being made by the Standing Committee of the province, the autonomous region, or the municipality directly under the central government.

Article 11. The number of people represented by each deputy in a rural area of a municipality directly under the central government, a city, or a municipal district should be greater than the number of people represented by each deputy from an urban area.

Article 12. The number of deputies to the People's Congress of a province or autonomous region shall be distributed by the Standing Committee of the People's Congress at its own level in accordance with the principle that the number of people represented by each deputy of a rural area is five times the number of people represented by each deputy in a city.

Chapter III. Number of Deputies to the NPC

Article 13. Deputies to the NPC shall be elected by the People's Congresses of provinces, autonomous regions, and municipalities directly under the central government and by the PLA.

The number of deputies to the NPC shall not exceed 3,000 persons. The distribution of the number of deputies shall be decided by the NPC Standing Committee in accordance with existing conditions.

Article 14. The number of deputies to the NPC to be elected by a province, autonomous region, and municipality directly under the central government shall be distributed by the NPC Standing Committee in accordance with the principle that the number of people represented by each deputy in a rural area is equal to eight times the number of people represented by each deputy in a city.

Article 15. Deputies to the NPC from the national minorities shall be elected by the People's Congress of various provinces, autonomous regions, and municipalities directly under the central government according to the numbers assigned by the NPC Standing Committee based on the population and distribution of national minorities. A minority nationality with an exceptionally small population shall have at least one deputy.

Chapter IV. Elections Among Minority Nationalities

Article 16. In areas where national minorities live in compact communities, each minority nationality shall have its own deputy or deputies to the local People's Congress.

Where the population of a minority nationality exceeds 30 percent of the total population of the area, the number of people represented by each of its deputies shall be equivalent to the number of people represented by each deputy to the local People's Congress.

Where the population of a minority nationality is less than 15 percent of the total population living in the area, the number of people represented by each of its deputies may be one-half less than the number represented by each deputy to the local People's Congress. Those autonomous counties practicing national autonomy with an exceptionally small population may be less than one-half. A minority nationality with an exceptionally small population should have at least one deputy.

Where the population of a minority nationality is more than 15 percent but less than 30 percent of the total population of the area, the number of people represented by each of its deputies may be less than the number represented by each deputy to the local people's congress, but the number of deputies representing the minority nationality shall not exceed 30 percent of the total number of deputies.

Article 17. The stipulations under Article 16 of this law are applicable to the election of deputies of other minority nationalities and the Han nationality to the People's Congress of an autonomous region, autonomous prefecture, autonomous county, township, national township, or town where minority nationalities live in compact communities.

Article 18. The number of people represented by each deputy of a minority nationality living in scattered groups to the local people's congress may be less than the number of people represented by each deputy to the local people's congress.

The preceding stipulations are applicable to the election of deputies of minority nationalities and Han nationality living in scattered groups to the People's Congress of an autonomous region, autonomous prefecture, autonomous county, township, national township, or town whether other minority nationalities live in compact communities.

Article 19. In cities, municipal districts, counties, townships, national townships, and towns where minority nationalities live in compact communities, the election of deputies to their People's Congresses shall be voted on either individually or jointly by the minority electorates according to the relations between the minority nationalities and their living conditions in the localities.

The preceding stipulation applies to the People's Congresses in autonomous counties and in townships, national townships, or towns where minority nationalities reside in compact communities for the election of deputies from among the local people of other minority nationalities and Han nationality.

Article 20. In formulating or promulgating electoral documents, name lists of voters, voters' certificates, name lists of candidates for deputies, deputies' election certificates, and seals of election committees, autonomous regions, autonomous prefectures, and autonomous counties shall simultaneously use the nationality language popular in the localities.

Article 21. The stipulations under the relevant articles of this law shall be referred to when considering all other matters concerning elections by the minority nationalities.

Chapter V. Zoning of Constituency

Article 22. The number of deputies to the People's Congresses in cities not divided into districts, municipal districts, counties, autonomous counties, townships, national townships, or towns shall be distributed to the constituencies where the elections shall be held. The zoning of constituencies shall be decided on the basis of production units, business units, work units and living conditions.

Chapter VI. Registration of Voters

Article 23: The registration of voters shall be conducted on the basis of constituencies. Once a voter's certificate is registered and verified, it will always be valid. People who have reached the age of 18, and people whose forfeited political rights have been restored to them, may register to vote. When a voter moves from his original constituency after registering to vote, his name shall be included in the name list of voters of the new constituency into which he has moved. People who have died, or whose political rights have been forfeited, shall be removed from the name lists of voters. After being verified by the electoral committees, people suffering from mental diseases and those incapable of exercising the right to vote shall be excluded from the name lists of voters.

Article 24. Name lists of voters shall be made public and certificates of voters issued 30 days prior to the date of the election.

Article 25. Anyone who has different opinions on a voters' name list may file a petition with the electoral committee. An electoral committee shall decide on handling a petition within 3 days. A petitioner may bring an action to the People's Court 5 days prior to the date of election if he objects to the decision on the handling of his petition. The People's Court shall make a judgment prior to the date of election. The judgement of the People's Court shall be final.

Chapter VII. Nomination of Candidates for deputies.

Article 26. Candidates for the deputies to the People's Congresses at the national level and various local levels shall be nominated on the basis of constituencies or electoral units.

The CPC, various democratic parties, and various mass organizations may either jointly or individually recommend their candidates for deputies. Any group of voters or deputies of 10 persons or more may jointly recommend their candidates for deputies. When recommending a candidate, the background of the candidate shall be introduced to the electoral committee.

Article 27. The number of candidates for deputies to the People's Congresses at the national level and various local levels shall be larger than the number of deputies to be elected.

The number of candidates for deputies to be directly elected by the voters shall be from one-third to twice the number of deputies to be elected; the number of candidates for deputies to be elected by the People's Congresses at various local levels to the People's Congresses at the next higher level shall be from one-fifth to one-half times more than the number of deputies to be elected.

Article 28. Candidates for deputies to the People's Congresses to be directly elected by the voters shall be nominated by the voters and by various political parties and people's organizations in various constituencies. The name lists of candidates nominated as deputies shall be collected by the electoral committee and made public 20 days prior to the date of election for thorough discussions and democratic consultations by the voter groups of the respective constituencies. A formal name list of candidates shall be made public 5 days prior to the date of election in accordance with the result of the discussions and with the opinion of the majority of the voters.

When deputies to the People's Congresses at the next higher level are elected by the respective People's Congresses at and above the county level, the name lists of candidates nominated by the various political parties and various mass organizations shall be collected by the presidia of the People's Congresses at the respective levels and shall be presented by them to the entire body of deputies for thorough discussions and democratic consultations. A formal name list of candidates shall be made in accordance with the result of the discussions and with the opinion of the majority of deputies.

Article 29. When the local People's Congresses at and above the county level elect deputies to the People's Congresses at the next higher level, the candidates nominated as deputies shall not be confined to the deputies of the respective People's Congresses themselves.

Article 30. The electoral committee or the presidium of the People's Congress shall brief the voters or deputies about the personal situation of candidates for deputy. The parties, organizations, voters or deputies who recommend candidates may brief group meetings for voters or deputies about the candidates they are recommending. However, these briefing activities about the candidates shall be halted on the date of election.

Chapter VIII. Electoral Procedures

Article 31. When a direct election of People's Congress deputies by voters is held, the various constituencies shall set up ballot centers or call election meetings. The ballot centers or election meetings shall be presided over by the electoral committee.

Article 32. Elections of the People's Congresses at the next higher level by the local People's Congresses at and above the county level shall be presided over by the respective People's Congresses.

Article 33. The method of secret ballot shall be adopted to elect deputies to the national and various levels of People's Congresses.

A voter who is illiterate or disabled and cannot write on his ballot may entrust a person he trusts with the writing.

Article 34. A voter may cast a ballot of approval or objection for a candidate for deputy, may vote for any other voter, and may also abstain from voting.

Article 35. A voter who is in another locality during the time of an election may, with approval of the electoral committee, entrust another voter by written authorization with the balloting. Each voter may be entrusted by no more than three persons.

Article 36. When the balloting is concluded, the ballot supervisors and ballot-counting personnel chosen by the voters or by the deputies along with members of the electoral committee or of the presidium of the People's Congress shall check the number of people casting the ballots against the number of ballots cast and make a record of them which shall be signed by the ballot supervisors.

Article 37. Ballots shall be declared null and void in an election when their number is larger than the number of people casting ballots, and deemed valid when their number is smaller than the number of people casting ballots.

A ballot shall be nullified when it bears more names than the number of deputies to be elected and deemed valid when the names are fewer than the number of the deputies to be elected.

Article 38. When deputies to the People's Congress are elected directly by the voters, the election is considered valid only when more than half of the voters of the constituencies vote on it. Candidates for deputies to the People's Congress are considered elected only when they obtain more than half of all votes cast in the constituencies.

When the local People's Congresses at and above the county level elect deputies to the People's Congresses at the next higher level, candidates for deputies are considered elected only when they obtain more than half of the votes of the entire body of deputies.

When the number of deputy candidates who have obtained more than half of the ballots cast exceeds the number of deputies to be elected, those who have obtained the majority of votes are considered elected. When the ballots obtained are equal in number and it is impossible to determine who has been elected, another election shall be conducted on the candidates who have obtained an equal number of ballots.

When the number of deputy candidates who have obtained more than half of the ballots cast is less than the number of deputies to be elected, another election shall be held on the candidates who have not been elected for the balance of deputies to be elected. Those who have obtained the largest number of votes are considered elected, but the number of votes shall not be less than one-third of the total number.

Article 39. The electoral committee or the presidium of the People's Congress shall determine the validity or invalidity of the result of an election in accordance with the stipulations in this law and announce it accordingly.

Chapter IX. Supervision Over the Deputies and Their Recall and By-Elections

Article 40. All deputies to the national and various local People's Congresses shall be subjected to supervision by the voters and the respective electoral units shall have the right to recall the deputies elected by them.

The recall of a deputy directly elected by the voters shall be approved by more than half of the voters in the constituency from which he was elected; the recall of deputies elected by the People's Congresses at various levels shall be approved by more than half of the deputies of the respective People's Congresses, or approved by more than half of the members of their Standing Committees when they are not in session. The deputies recalled may attend the above-mentioned meetings or submit written petitions. The resolution reached on a recall shall be reported to the Standing Committee of the People's Congress at the next higher level for the record.

Specific procedures for recalling deputies shall be worked out by the Standing Committees of the provincial, autonomous regional, and municipal People's Congresses.

Article 41. A deputy to the NPC, provincial, autonomous, regional, or municipal People's Congress, People's Congress of a city with districts, or autonomous prefectural People's Congress may submit his resignation to the Standing Committee of the People's Congress that elected him.

Article 42. When a deputy's position becomes vacant for cause during his tenure in office, a by-election shall be held by the constituency or electoral unit that elected him.

When a local People's Congress deputy has been transferred from or moved out of the original administrative division during his term of office, his status as a deputy to the People's Congress shall be automatically annulled, and a by-election shall be conducted to fill his vacancy.

When the local People's Congresses at and above the county level are not in session, by-elections of deputies to the People's Congresses at the next higher level may be held by the Standing Committees of the People's Congresses at the same levels.

In by-elections of deputies, the number of candidates may be greater than or the same as the number of deputies to be elected. The procedures and methods for by-elections shall be worked out by the Standing Committee of the People's Congresses of the provinces, autonomous regions, and municipalities directly under the central government.

Chapter X. Sanctions for Disruption of Elections

Article 43. In order to safeguard the voters' freedom to exercise their electoral rights and the right to stand for election, administrative or criminal sanctions shall be taken against a person committing the following legal violations:

1. Those who resort to violence, intimidation, deception, bribery, and other illegal means to disrupt an election or prevent a voter from freely exercising his right to vote and his right to stand for election;
2. Those who fabricate electoral documents, make false reports on the number of ballots, or commit other violations of law;
3. Those who suppress or take reprisal against those who file complaints or reports on legal violations or against those who demand the recall of a deputy.

Chapter XI. Appendix

Article 44. The Standing Committee of the People's Congresses of the provinces, autonomous regions, and municipalities directly under the central government may formulate detailed rules and regulations on elections for implementation in accordance with this law and report the rules and regulations to the NPC Standing Committee for the record.

PRESIDENT PROMULGATES NPC COMMITTEE DECISIONS

Postal Service Law

OW040915 Beijing XINHUA Domestic Service in Chinese 0126 GMT 3 Dec 86

[Presidential Decree No 47 of the People's Republic of China]

[Text] Beijing, 3 Dec (XINHUA) -- The "Postal Service Law of the People's Republic of China" was adopted by the 18th session of the 6th National People's Congress Standing Committee of the People's Republic of China on 2 December 1986. The law is hereby promulgated and will come into force on 1 January 1987.

Li Xiannian, president of the People's Republic of China.

2 December 1986

Border Quarantine Law

OW040917 Beijing XINHUA Domestic Service in Chinese 0125 GMT 3 Dec 86

[Presidential decree No 46 of the People's Republic of China]

[Text] Beijing, 3 Dec (XINHUA) -- The "Border Quarantine Law of the People's Republic of China" was adopted by the 18th session of the 6th National People's Congress Standing Committee of the People's Republic of China on 2 December 1986. The law is hereby promulgated and will come into force on 1 May 1987.

Li Xiannian, president of the People's Republic of China

2 December 1986

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CHINA
PRC NATIONAL AFFAIRS

Electoral Law Revision

OW050051 Beijing XINHUA Domestic Service in Chinese 0000 GMT 4 Dec 86

[Presidential Decree No 48 of the People's Republic of China]

[Text] Beijing, 3 Dec (XINHUA) -- "Decision of the National People's Congress Standing Committee on Revision of 'Electoral Law for the National People's Congress and Local People's Congresses at Various Levels of the People's Republic of China'" was adopted by the 18th session of the 6th National People's Congress Standing Committee of the People's Republic of China on 2 December 1986. The decision is hereby promulgated and put in force.

Li Xiannian, president of the People's Republic of China
2 December 1986

Law Revision Decision

OW050105 Beijing XINHUA Domestic Service in Chinese 0002 GMT 4 Dec 86

[Presidential Decree No 49 of the People's Republic of China]

[Text] Beijing, 3 Dec (XINHUA) -- "Decision of the National People's Congress Standing Committee on Revision of the 'Organic Law of the Local People's Congresses and Local People's Governments at Various Levels of the People's Republic of China'" was adopted by the 18th Session of the 6th National People's Congress Standing Committee of the People's Republic of China on 2 December 1986. The decision is hereby promulgated and put in force.

Li Xiannian, president of the People's Republic of China
2 December 1986

TOP PARTY LEADERS MEET ADVANCED COMMUNISTS

OW070615 Beijing XINHUA Domestic Service in Chinese 1248 GMT 2 Dec 86

[By RENMIN RIBAO and XINHUA reporters]

[Text] Beijing, 2 Dec (XINHUA) -- A national meeting to exchange experience among advanced party branches and exemplary communists closed at the Great Hall of the People this morning. The meeting called on all party comrades to more conscientiously and comprehensively carry out the line, principles, and policies formulated by the party since the 3d Plenary Session of the 11th CPC Central Committee, to strengthen inner-party life, to invigorate party organizations, and to enable party members to bring into better play their exemplary vanguard role.

This morning, Comrades Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Wan Li, Xi Zhongxun, Qiao Shi, Yu Qiuli, Hu Qiaomu, Hu Qili, Wang Zhaoguo, Wang Zhen, Bo Yibo, Song Renqiong, Peng Chong, and Yang Jingren had a cordial meeting with delegates to the meeting, and extended warm regards to all party branches and members who have made outstanding contributions to building socialist material and spiritual civilization in recent years.

Entrusted by the Secretariat of the CPC Central Committee, Wang Zhaoguo, member of the Secretariat, made a speech at the meeting dealing with strengthening inner-party life and invigorating grass-roots party organizations.

Wang Zhaoguo said: As Comrade Deng Xiaoping pointed out recently, one of the aims of China's political structure reform is to preserve the vitality of the party and the government. Comrade Hu Yaobang also repeatedly stressed recently that we must increase party organizations' ability to "regenerate blood" and "be immunized from corrosive influences." Since the 3d Plenary Session of the 11th Central Committee, our party has further increased its vigor and vitality. However, it is necessary to note that as the situation develops and constantly changes, and new circumstances and problems continue to emerge, the party -- as leader in the socialist modernization drive -- must continuously invigorate its every component in the course of its advance.

He said: This vitality is based on considering the overall situation and proceeding from realities in creatively implementing the party's line and basic principles and policies. Members must uphold the four cardinal principles, persist in making reform and opening to the outside world, and unite the masses in actively developing a socialist commodity economy and enlivening the work in all endeavors. We must solve contradictions within the organization with self-reliance and a sense of responsibility, and rely on the masses inside and outside the party to overcome shortcomings, encourage healthy tendencies, and eliminate unhealthy trends in order to preserve the party's principled spirit.

Wang Zhaoguo said: While continuing to improve leading bodies at various levels, why is it necessary to emphasize the importance of increasing the vitality of grass-roots organizations? Because grass-roots party organizations are the party's cells, and vitalizing every cell can invigorate the party's whole body. To increase the vitality of grass-roots party organizations, it is necessary to mobilize the efforts of all quarters to strengthen inner-party life. Not only should grass-roots party organizations of factories, townships and villages, PLA companies, schools, stores, and neighborhoods strengthen their inner-party life, but also leading bodies at all levels from central to local governments should even more take the lead in strengthening this inner-party life.

Wang Zhaoquo said: In strengthening inner-party life, we must stress the following measures: strengthening grass-roots organizations and improving the substance and forms of organizational life; promoting and developing inner-party democracy; upholding the ideological and political essence and principled spirit of inner-party life; solving problems within the organization with self-reliance and a sense of responsibility; and educating party members to enrich themselves to contribute to the building of two civilizations. In order to bring into full play the initiative of party members to contribute to the modernization drive, it is necessary to make practical reforms and adopt various effective measures to create a political situation, in which there are both democracy and centralism, both personal peace of mind and liveliness and unity of will, as well as stability and unity.

Discussing the question of promoting and developing inner-party democracy, Wang Zhaoguo said: All party members, regardless of position, enjoy equal democratic rights granted to them by the party constitution. As far as this is concerned, leading cadres should enhance their awareness of democracy and get rid of the feudal "patriarchal" style and "special privilege" mentality. Party organizations must create the conditions to ensure that party members can exercise their democratic rights, encourage them to make useful suggestions for the construction and reform, and support party members in making responsible criticisms of any leading cadres, or criticisms and suggestions of the party's work, at party meetings.

On the question of grass-roots organizations' self-reliance in solving problems within the organization, Wang Zhaoguo said: We must encourage more party members, especially party member-cadres, to bravely and correctly use the weapon of criticism and self-criticism.

This is a normal activity of inner-party life, and is indispensable for a party organization to increase its vitality and for every party member to overcome shortcomings and become mature. Currently in some party organizations, it is difficult to make self-criticism and even more so to criticize other; some criticisms are cursory, and others are unprincipled quarrels. To radically change this situation, all party members, responsible persons of a party organization in particular, must conscientiously eliminate selfish ideas and personal considerations in a spirit of holding oneself responsible to the party's cause and comrades. At the same time, party organizations should persist in normal democratic life, resolutely protect those who criticize, and sternly handle those who suppress criticisms and resort to retaliation. Nobody is allowed to use criticism as a "bludgeon" to persecute people, nor to resist criticism under the pretext that it is a "bludgeon."

In conclusion, Wang Zhaoguo said: Party committees at the central, provincial, prefectural, and county levels must conscientiously implement the principle of "self-supervision" while strengthening themselves organizationally. They must do solid work in strengthening inner-party life on each level by intensifying guidance, inspection, and supervision, in particular over the improvement of the leading bodies of grass-roots party organizations.

During the 7-day meeting, 23 representatives of advanced party branches and exemplary communists across the country gave reports on their advanced deeds.

ZHAO ZIYANG ATTENDS MEETING OF SELF-EMPLOYED

OW050630 Beijing XINHUA Domestic Service in Chinese 1159 GMT 4 Dec 86

[Text] Beijing, 4 Dec (XINHUA) -- Special feature: "Premier Zhao And the Self-employed"

[By] XINHUA reporter Chen Yun

He Yongmei, a 35-year-old self-employed seamstress from Chongqing City, was speechless as she shook hands with Premier Zhao Ziyang at the Great Hall of the People. After a while, she uttered: "How are you, Premier?"

Three years ago, Premier Zhao said in Dandong that the self-employed should have their own organization through which the government can enforce the regulations and educate self-employed laborers, while they can voice their demands.

Yesterday, a Self-Employed Association of China was inaugurated. Delighted, Premier Zhao made a special courtesy call on representatives of the self-employed attending a meeting in the capital today. He was concerned about whether the association could really reflect the interests of the self-employed, and he wanted to hear their opinions. So, as soon as he met their representatives, he asked about their membership, rules, and regulations. When someone replied that the association had already drawn up a constitution, Premier Zhao said with a big smile: "Now there are rules to follow."

Premier Zhao asked them about the jobs of the association. Photographer Bai Shiming from Harbin, food catering business operator Wei Junhong from Wuhan, and He Yongmei said that the association's jobs involve self-management, information service, and technical training.

"Will it handle disputes?" The premier asked.

He Yongmei replied: "Certainly. The association will help the self-employed solve problems."

After asking the series of questions without a break, Premier Zhao was still standing. He politely told them to sit down and he himself took a seat too.

Then, Comrade Hu Qili, who was paying the courtesy call together with Premier Zhao, asked about discrimination against the self-employed. Speaking on behalf of them, Ren Zhonglin, director of the State Administration for Industry and Commerce, said: Although people's views toward the self-employed have changed, the problem is not completely solved yet.

The premier then asked them about exporting their products. Bai Shiming said that handicrafts made by Heilongjiang's self-employed were already being sold overseas.

The premier also asked He Yongmei about the difficulty of having clothes made in Chongqing. She said the problem had been solved and that now a customer could get an order done within 24 hours if he wanted. The premier asked Wei Junhong about the shortage of bathhouses in Wuhan. Wei Junhong replied that there should be no problem and, seizing the opportunity of meeting with the premier, bragged about the convenient breakfasts in Wuhan. He said there are many varieties and outlets for serving breakfast. The premier listened with a smile.

Receives Representatives

OW050143 Beijing XINHUA Domestic Service in Chinese 1446 GMT 4 Dec 86

[By reporter Chen Yun]

[Text] Beijing, 4 Dec (XINHUA) -- Premier Zhao Ziyang today met with all the representatives attending the First National Congress of Self-Employed Workers and the citation ceremony for advanced self-employed workers. He had a photo session with them.

Party and state leaders Hu Qili, Tian Jiyun, and Yang Jingren were present at the meeting and photo session.

Prior to the meeting, Zhao Ziyang had a cordial conversation with representatives Bai Shiming, Wei Jinhong, and He Yongmei, and asked them about the Association of the Self-Employed.

He hoped that the association could become a bridge between the Government and self-employed households.

Meeting Closes

OW052022 Beijing XINHUA in English 1551 GMT 5 Dec 86

[Text] Beijing, December 5 (XINHUA) -- Five hundred successful self-employed individuals were awared at today's closing session of the First National Congress of China's Self-Employed.

At the meeting, members were also elected as representatives to the first council of China's Self-Employed Workers Association which was formed in December, 1982.

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CHINA
PRC NATIONAL AFFAIRS

Bo Yibo, vice-chairman of the Central Advisory Commission of the Chinese Communist Party, was elected honorary president of the association, and Ren Zhonglin, director of the General Administration for Industry and Commerce, its official president.

At today's meeting, after the association adopted its constitution, a proposal was made encouraging China's 20 million self-employed workers to maintain professional ethics, learn laws and regulations, not to do anything against the law.

BEIJING'S LI XIMING ATTENDS PARTY REPORT MEETING

OW050544 Beijing XINHUA Domestic Service in Chinese 1534 GMT 2 Dec 86

[By reporters Huang Zhimin and Xu Xiaoping]

[Excerpts] Beijing, 2 Dec (XINHUA) -- To bring into play the exemplary vanguard role of communist party members is an important guarantee for successfully building spiritual civilization. This is the impression shared by the some 6,500 Communist Party members of Beijing Municipality, who attended a meeting today to hear reports by representatives of outstanding party members from various parts of China.

In order to further improve grass-roots party organizations and promote the building of spiritual civilization, the Beijing municipal party committee invited representatives to the national meeting to exchange experience among advanced party branches, and outstanding Communist Party members to give reports on their advanced deeds to the municipality's leading cadres at the district, county, and bureau levels as well as representatives of grass-roots party organizations. [passage omitted]

Li Ximing, secretary of the Beijing municipal party committee, spoke at the closing of the meeting, calling on party members in Beijing to emulate, catch up with, and become the advanced.

RENMIN RIBAO BLAMES INDIVIDUALISM FOR CORRUPTION

HK070739 Beijing RENMIN RIBAO in Chinese 3 Dec 86 p 1

[Commentator's article: "Malignant Growth of Individualism -- Thoughts on the Major and Important Law Cases (Part One)"]

[Text] Since the beginning of this year, the central and local authorities have handled a number of major and important law cases in accordance with the law. Some party and government cadres previously in charge of various localities and departments are now in jail.

The law has a long arm. Needless to say, one should be punished if one violates law and discipline. But it is necessary to find out why such people, who have sworn to wholeheartedly serve the people and to fight for communism all their lives and some of whom have actually done something good for the people, have become criminals.

There are many reasons for this. Ideologically, the most fundamental reason is the malignant growth of individualism.

One can see that the criminals involved in these cases have all been convicted as a result of their desire "to take advantage of available opportunities to make enough money for the rest of their lives." [paragraph continues]

Taking advantage of his position and power, Yu Tiemin [0151 6993 3046] received a bribe of more than 30,000 yuan; Ye Zhifeng [0673 0037 2800] sold the state's classified information for more than 20,000 yuan; and Zhou Songrui [0719 2646 3843] received a bribe of more than 90,000 yuan and HK\$120,000. They are all victims of their own obsession with money and personal comfort. Huang Yuhui [7806 5940 6540], a county party committee deputy secretary who is convicted of corruption, said: I wanted to make enough money during my term of office. Eager to seek personal gains, these people have all committed crimes.

Individualism is an ideology with personal interests as its fundamental starting point. It is usually manifested in the practice of benefiting oneself at the expense of others. The amplification of individualism always leads to corruption, bribery, the involvement of the privileged in commercial activities, nepotism, the formation of gangs and factions, revenge, lawlessness, and all kinds of criminal activities. Individualism is seriously detrimental to the people's interests. In addition, it can corrupt social customs and damage the party's image. We can hardly afford to underestimate its harmfulness.

In the past, we had spent much time combating individualism with some apparently acceptable results. However, influenced by a "leftist" ideology, we confused personal interests with individualism and denounced personal interests, personal ambitions, personal struggle, and personal character as vehemently as we opposed individualism. At that time, one indeed turned pale at the mere mention of anything "personal or individual." In conclusion, we have achieved very little from a long-term point of view. One can even say that some very undesirable originality, individual thinking, and individual enthusiasm have all vanished and that egalitarianism, the practice of "eating from the same big pot," and the philosophical view that only mediocre people can survive have emerged. This is a bitter lesson. Since the 3d Plenary Session of the 11th CPC Central Committee, we have duly redefined personal interests and encouraged the gratification of personal material and spiritual needs by proper means. This is completely correct. In addition, it is necessary to point out that regarding this, we have not done enough to correct our attitude. More should be done.

However, under the new circumstances, another tendency has emerged. It seems that there is no longer the need to oppose individualism. People worry that once we go about opposing individualism, their personal interests will be jeopardized. This is also incorrect. Individualism is different from personal interests. Individualism places personal interests above everything and encourages people to seek personal gains by every conceivable means. This is detrimental to people's personal interests and collective interests. A cadre with some power in his hands will take advantage of his position and power to seek personal gains if his mind is dominated by individualism. The view that "power must be used before it expires" is indicative of the malignant growth of this ideology.

Therefore, to bring about a radical turn for the better in party style and in social customs, it is necessary to resolutely oppose individualism, in particular the version of individualism dominating the minds of cadres with some leadership responsibilities. This is what we have learned from handling major and important law cases.

In the 1950's, there were two negative teachers [fan mian jiao yuan -- 0646 7240 2403 0765], namely Zhang Qingshan [1728 7230 1472] and Liu Zishan [0491 1311 0810]. This year, we have discovered from the publicly handled cases that some more people have fallen victim to individualism. [paragraph continues]

In social development, major changes always come with energetic ideological activities and the revival of undesirable elements. This is something to test our cadres' ideological qualities. Each cadre should always devote vigorous efforts to self-cultivation, bear in mind his status as a civil servant, and know that it is his duty to serve the people and that he has no right to seek personal gains at the expense of public interest. The people are watching. They will not let off those who risk nationwide condemnation by trying to infringe on the people's interests.

CPC OFFICIAL STRESSES SELF-SUPERVISION

OW040336 Beijing XINHUA Domestic Service in Chinese 0840 GMT 30 Nov 86

[Text] Beijing, 30 Nov (XINHUA) -- In order to maintain the party's advanced spirit and bring into full play the party members' exemplary vanguard role in the new historical period, it is of utmost importance to adapt to the needs of new circumstances and tasks and conscientiously ensure the party's supervision of its own affairs, said Wei Jianxing, director of the Organization Department of the CPC Central Committee. Wei was speaking today at a national meeting to exchange experience among advanced party branches and outstanding party members.

Wei Jianxing said: Although the focus of the party's work has been shifted to economic construction, we should not relax but should intensify the efforts at party building. Such efforts for self-improvement must serve the party's general task and objective in the new historical period, and must be made in close coordination with the modernization program and the comprehensive reform.

Wei Jianxing said: Having endured tests in implementing the line, principles, and policies of the new period since the 3d Plenary Session of the 11th CPC Central Committee, party organizations at all levels have achieved remarkable progress, and the situation is generally good. However, there are a few party organizations that lack the vitality and vigor to supervise their own affairs. Whenever a problem arises, they either procrastinate or shift responsibility onto others, wrangling back and forth in an attempt to rely on outside help to solve the problem. They are incapable of distinguishing right from wrong, encouraging healthy trends, and correcting evil practices. We must make determined efforts to improve the situation as quickly as possible.

Wei Jianxing said: Party organizations are faced with two tasks in improving themselves ideologically, organizationally, and in style. First, they must supervise the affairs at their own level. Those who fail to do so are derelict in their duty. Second, they must, in line with the party constitution's requirements, improve inner-party life, increase their abilities to actively and correctly handle various contradictions among party members and cadres, and increase the ability to resist erroneous ideas and activities.

Stressing the need for party organizations to further promote inner-party democracy in order to create a harmonious environment, democratic atmosphere, and lively political situation for harnessing party members' enthusiasm and creativity for the modernization program, Wei Jianxing said that it is necessary to improve the system of regular activities of party organizations and conduct effective education and supervision among party members.

He said: We must strictly enforce party discipline and take bold and resolute action against party members who abuse power in violation of law and discipline to the detriment of the interests of the state and the people. We must also uphold the criteria for selecting party members and recruit new party members in a planned manner. Calling on party member-leading cadres to constantly set good examples, Wei Jianxing said: It is an important qualification of leading cadres to constantly set good examples, Wei Jianxing said: It is an important qualification of leading cadres to play an exemplary role in building the two civilizations and to set strict demands on themselves. Those who fail to match their words with deeds are not qualified for leading posts. We must urge and help comrades with such fundamental shortcomings to overcome their weaknesses.

RUSTICATED CADRES ASSIST PARTY RECTIFICATION

OW040404 Beijing XINHUA Domestic Service in Chinese 0018 GMT 1 Dec 86

[By reporter Zhou Changnian]

[Text] Beijing, 1 Dec (XINHUA) -- Several hundred thousand cadres sent to help party rectification at the village level are playing an important role in the rural party rectification. Setting strict demands on themselves, they not only offer good advice and assistance to the village-level party rectification, but also play an exemplary role in improving party style and doing practical work for the masses. They have enhanced their ideological and political awareness through learning and tempering themselves in the big classroom of rural party rectification.

In the course of party rectification at the village level, all provincial, autonomous regional, and municipal party committees have selected and rusticated large numbers of cadres to help grass-roots party rectification, which they regard as an important measure to temper cadres and improve leadership style. According to statistics, various localities across the country have dispatched some 550,000 cadres to the countryside to work as inspectors, liaison personnel, and lecturers on party lessons in the village-level party rectification.

The Hunan provincial party committee has sent some 71,000 cadres at various levels to rural areas, including 63 at the department or bureau level and some 1,300 at the county or section level. While laying store by local party committees' leadership, these rusticated cadres independently carried out their work in village-level party rectification with a sense of responsibility. They went deep into farm households to find out and solve their practical problems. They held heart-to-heart talks with party members and ordinary people, befriending them and listening to their opinions and demands. Based on the investigation and study they had conducted, they helped grass-roots party branches work out the party rectification schedule and understand the policies. They also compiled materials for party lessons suited to the local conditions, and personally gave lectures on party lessons.

After discovering that the village-level party rectification in three townships of a district of Taoyuan County was going astray, cadres of the liaison group of the Changde prefectural party committee stationed in the county immediately reported the problem to the county party committee, which then decided to start the village-level party rectification in these three townships over again and issued a bulletin to all townships to guard against similar problems. The party branch secretary of a town cement plant in Lianyuan County abused his powers for personal gains, but the town party committee was hesitant to investigate the problem out of consideration of his "special connections." After discovering the problem, cadres of the liaison group of the Loudi prefectural party committee stationed in the town gave firm support to the town party committee to investigate and handle the problem involving the party branch secretary.

While participating in the village-level party rectification, large numbers of rusticated cadres have broadened their horizons and tempered themselves. In the past, many cadres of provincial- and city-level organs in Hunan would go to economically better-off areas when assigned to go to rural areas. They gained only superficial understanding through cursory observation and failed to familiarize themselves with the situation at the grass roots. However, in the current village-level party rectification, they carried their own luggage and traveled across mountains and rivers to poor, remote mountain villages in order to obtain firsthand information about the progress, as well as problems, in the rural reforms and solicit the opinions of grass-roots cadres, thereby enhancing their awareness of serving the grass roots and the masses.

In quite a few areas, the rusticated cadres have not only assisted the grass roots party rectification but have also brought the party's good work style and traditions to rural areas. In Yangdaohe Township in Xingshan County, Hubei, eight liaison persons of the county party committee stationed in the township not only paid their meals to the farm households they visited, but also helped with household chores. In Hanting District in Weifang City, Shandong, 400 office cadres visited over 400 farm households during the party rectification to help them solve practical problems.

RENMIN RIBAO COMMENTATOR CALLS FOR HONESTY

HK010939 Beijing RENMIN RIBAO in Chinese 26 Nov 86 p 1

[Commentator's article: "Telling the Truth Is Worth a Thousand Pieces of Gold"]

[Text] That one should say what is true and not what is false is a basic principle one should live by. It is also a condition for doing things successfully. If one lies, not only can one not win the trust of others, one's career will also be ruined. If an organ, organization, unit, or political party frequently lies, its future will be destroyed.

Lies Definitely Can Do Great Harm! [subhead]

We have been victims of lies. The Great Leap Forward Movement in 1958 led to nationwide economic dislocation. Of course, one can put part of the blame for this on the policy-making organs, which were then quite outdated. However, this also relates to the fact that some localities had prepared false reports, provided made up figures, and presented false data. Facts have proved that lies can do even greater harm if policy-making is based on them. In the "Romance of the Three Kingdoms," Cao Cao's army of 800,000 was routed at Chibi mainly as a result of a wrong decision he made on the basis of Jiang Gan's false situation report, which he accepted without a second thought.

One of the party's three important work styles is seeking truth from facts. It is also a fundamental principle on which the party is founded. The party has always educated its members to speak honestly and faithfully, to do practical work, and to seek truth from facts. The victory of the Chinese Revolution, including successes scored in recent years in the country's modernization, has been a result of our adherence to the principle of seeking truth from facts.

In the history of our party, there have also been people who lied and tried to adulterate facts with lies. Even now, there are still cadres who lie. These people have different versions of stories to tell in front of their superiors, subordinates, and their neighbors. [paragraph continues]

Basically, they live by telling lies. This is a very bad practice. A fundamental reason for this is that some people are used to telling lies and have benefited by it. Others are seriously bureaucratic. They do not conduct investigations but easily accept lies and even tell lies themselves. Thus, to put an end to the practice of telling lies and to introduce the good habit of speaking honestly and faithfully, it is first necessary to overcome bureaucracy. Particularly if high-level organs and high-ranking cadres are seriously bureaucratic, some liars will run wild.

In units and localities where people are used to lying, one sometimes can only tell the truth or speak honestly at a cost. In distinguishing between what is true and what is false, one not only has to spend time and energy, but very often one has to take risks too. One who speaks honestly and faithfully may invite attacks and criticisms from liars, and one who makes an effort to tell the truth may meet with frustrations and obstructions wherever one goes. Some people have become "unwelcome people" simply because they have tried to tell the truth. There are even people who have been more seriously frustrated or persecuted simply because they speak honestly and faithfully.

The Value of Truth Is Very Great Indeed! [subhead]

Ordinary people should speak honestly and faithfully. Their deputies in particular should do the same. The people's deputies are supposed to represent the people. How can they represent the people if they do not speak honestly and faithfully? Zhang Yinlian, a deputy to the Shanxi Provincial People's Congress, has done it right. By conducting investigations, by speaking honestly and faithfully, and by pointing out the defects of local work and local leadership, she has benefited the local people. In addition, she has also set an example. In the future, in selecting their deputies, the people must try to find out whether the candidates speak honestly and faithfully. If a candidate is a liar, they must not vote for him.

FOREIGN EXCHANGE RESERVES EXCEED \$10 BILLION

OW041340 Beijing XINHUA in English 1232 GMT 4 Dec 86

[Text] Beijing, December 4 (XINHUA) -- The total reserve of China's foreign exchange was 10.372 billion U.S. dollars at the end of September, the People's Bank of China reported today.

Of this figure, 2.261 billion U.S. dollars are kept by the central government and 8.111 billion U.S. dollars by the Bank of China, the sole foreign exchange bank in the country.

According to a previous report, the foreign exchange reserve by the end of June was 10.473 billion U.S. dollars, of which 2.224 billion U.S. dollars are in the hands of the central government and 8.249 billion U.S. dollars in the Bank of China.

According to statistics, loans outstanding in foreign exchange total 6.872 billion U.S. dollars at the end of September, compare with 6.599 billion U.S. dollars at the end of June.

The report also said that China's gold reserve by September was 12.67 million ounces, about the same as three months ago.

NEW GAS, OIL RESERVOIR IN JIANGSU REPORTED

OWO41823 Beijing XINHUA in English 1552 GMT 4 Dec 86

[Text] Nanjing, December 4 (XINHUA) -- Geologists have found an oil and gas reservoir in east China, with oil reserves estimated at 28 billion bbl, according to "XINHUA DAILY", a provincial newspaper in Jiangsu Province.

Covering an area of 220,000 sq km, the reservoir extends from Jiangsu Province into Zhejiang, Anhui and Jiangxi Provinces and Shanghai, the best developed part of China.

The area between Nanjing and Nantong in Jiangsu Province are believed to be the richest in oil and gas reserves. Teams are being organized to concentrate on geological prospecting in these areas.

The paper quoted a geologist from the East China Petroleum Geology Administration as saying that east China was a sea about 600 million to 200 million years ago and had thick deposits of marine carbonatite and clastic rocks, thus providing good conditions for oil and gas formation.

In the 1970s, the administration sunk some oil and gas wells of commercial value in north Jiangsu Province, which now produce 3.5 million bbl a year.

It began to extend its oil and gas surveys to other parts of east China in 1983.

JIANGSU ENTERPRISE RECEIVES WORLD BANK LOAN

OWO60542 Beijing XINHUA in English 0256 GMT 6 Dec 86

[Text] Nanjing, December 6 (XINHUA) -- The first township enterprise in China funded by a loan from the World Bank went into operation on Tuesday in east China's Jiangsu Province, reported today's "ECONOMIC DAILY".

The factory in the city of Zhangjiagang makes household flooring material. It received a low-interest World Bank loan of 1.89 million U.S. dollars and a loan of 4.13 million yuan (about 1.12 million U.S. dollars) from the Investment Bank of China. The money was used to build factory buildings and import equipment from Federal Germany, the paper said.

The factory, built within 21 months, is expected to produce 25 million yuan (6.75 million U.S. dollars) worth of goods annually, the paper said.

SHANDONG'S LIANG BUTING AT WELFARE FUND MEETING

SK070449 Jinan Shandong Provincial Service in Mandarin 2300 GMT 6 Dec 86

[Text] As glad tidings for the 1.5 million handicapped people throughout the province, the Shandong Provincial Welfare Fund for the Handicapped was officially established in Jinan on 6 December.

The purpose of the welfare fund is to serve the handicapped people of our province in the spirit of patriotism and socialist humanism. Its major tasks are to call on an entire society to show concern for the employment, livelihood, recuperation, medical care, education, and marriage of the handicapped; to win the support and assistance of relevant departments; to develop welfare undertakings for the handicapped; to raise and use welfare funds for the handicapped; and to carry out friendly exchanges and cooperation with domestic and foreign organizations for the handicapped. Deputy secretary of the provincial party committee, presided over the inaugural meeting. Liang Buting, secretary, and Jiang Chunyun, deputy secretary of the provincial party committee; leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government, the provincial CPPCC Committee, the Jinan Military Region, and the provincial Military District; and some veteran comrades of the province attended to extend congratulations

By invitation, Deng Pufang, director-in-chief of the China Welfare Fund for the Handicapped, also made a special trip here to convey congratulations.

The meeting approved the Constitution of the Shandong Provincial Welfare Fund for the Handicapped, and an open letter to the people throughout the province. It elected the director-in-chief and the deputy directors-in-chief of the welfare fund. Tan Qilong and Su Yiran serve as honorary directors-in-chief, and Ma Lianli serves as director-in-chief.

Tan Qilong, Su Yiran, Tan Qinglian, Yuan Shoufang, and Zhang Haidi spoke at the meeting. They contended in their speeches: The issue of the handicapped is a social issue which brooks no negligence. Party committees and governments at all levels, and people from various circles should attach importance to it, and conduct extensive propaganda and education to enable the entire society to foster the concept of the socialist humanism and establish the good common practice of respecting and showing concern for the handicapped.

Comrade Deng Pufang gave an ebullient speech at the meeting.

SHANGHAI DEVELOPS CULTURAL TOURISM; OPENS HOMES

OWO61152 Beijing XINHUA in English 0830 GMT 6 Dec 86

[Text] Shanghai, December 6 (XINHUA) -- To help foreigners understand the daily lives of the Chinese people the itinerary of tourists to Shanghai now often includes a visit to the home of average Chinese families.

"This is the most unforgettable time I've ever spent in China," said a smiling European tourist after spending a weekend in an ordinary worker's family in Shanghai. There the visitor chitchatted with family members and enjoyed a simple meal made by the host.

According to a survey, only a fifth of the foreigners who have visited China come merely to see scenic spots and historical sites. The vast majority are more interested in the history, culture, social conditions, life style and ethics of the Chinese people.

To accomodate these travellers, some travel services in Shanghai, the largest industrial city in China with 11 million residents, have arranged visits to the homes of Chinese families. They have also arranged sightseeing tours that include sampling local special foods and learning lessons on how to cook Chinese dishes and use traditional Chinese medicine.

"These trips have attracted many foreigners and Overseas Chinese," said a tourist official.

Over the past five years, the number of foreign visitors to Shanghai increased to 600,000 in 1985 at an annual growth rate of 14 percent, said the official, adding that the number of tourists to the city is expected to reach 650,000 by the end of this year.

Projections made at a meeting on the strategy of developing Shanghai's tourist industry now being held show the city will receive three million foreign tourists annually by the end of the century.

The meeting was told that ten hotels are being or will be built and the existing airport and dock facilities will be expanded. By 1990 the number of hotel rooms is expected double to 26,000.

ZHEJIANG'S WANG FANG ADDRESSES WRITERS CLUB

OW050408 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 2 Dec 96

[Excerpt] Over 300 writers and entrepreneurs from Zhejiang attended a meeting in Hangzhou this morning to inaugurate a Zhejiang Provincial Association of Writers and Entrepreneurs.

Wang Fang, secretary of the provincial party committee, and Cui Jian, vice chairman of the provincial Advisory Commission, are the association's honorary chairmen.

Speaking at the inaugural meeting, Comrade Wang Fang called on writers to blaze a path for comprehensive reform and opening to the outside world. In order to influence the younger generation with their works, writers should delve deeply into the frontline of reform to experience life in the reform. The association offers a good forum for writers and entrepreneurs to exchange ideas and promote the building of the two civilizations together.

Gao Guang, vice chairman of the provincial Federation of Literary and Art Circles and an official of the association's standing committee, delivered the opening address.
[passage omitted]

GUANGDONG PROVINCE EXCEEDS ANNUAL EXPORT GOAL

OW070413 Beijing XINHUA in English 0257 GMT 7 Dec 86

[Text] Guangzhou, December 7 (XINHUA) -- Guangdong Province in south China leads the rest of the country by being the first to fulfill its 19086 export quota, according to the Department of Foreign Economic Relations and Trade.

"The 3.7 billion U.S. dollars earned tops the annual export target by more than 28 percent and is a 39 percent increase over the same period last year," an official from the department told XINHUA today. The official attributed this rise to increases of export commodities, opening of new markets and improvement in distribution of export goods.

According to statistics provided by the official, exports of processed products increased by a big margin, and that of raw materials was reduced. The export of household electrical appliances and garments increased 100 million U.S. dollars over the same period last year. "Light industrial and textile products exported account for more than 60 percent of the province's total this year," the official said.

"Guangdong exported more products than ever to European, American and Middle East countries," he said, adding this is a result of business promotion. He said, "Last year, the province held four sales exhibitions overseas and sent 69 groups to promote sales in other countries and regions."

Last year, exports to European, American and Middle East markets, including transit trade through Hong Kong made up 70 percent of Guangdong's total exports, the official said.

The set-up of serial production projects has ensured the supply of products and goods for export. Up to now, the province has 836 such projects, providing 75 export commodities this year that earned over 10 million U.S. dollars each.

Guangdong Province is a pioneer in the implementation of China's policy of opening to the outside world, and from 1979 until this September, the province utilized 3 billion U.S. dollars of foreign capital, and spent 1.5 billion to import foreign technology and equipment. "This investment has helped upgrade the province's export product, and during the same period, Guangdong has developed some 10,000 new products," the official said.

GUANGDONG WAVES FOREIGN PROJECTS LAND-USE FEE

OW020818 Beijing XINHUA in English 0646 GMT 2 Dec 86

[Text] Gaungzhou, December 2 (XINHUA) -- Projects involving foreign investment in Guangdong Province are eligible for exemption or reduction of land-use fees.

A local official said today that this privilege will be granted to Sino-foreign joint ventures, cooperative enterprises and factories with exclusive foreign investment. Their applications should be approved by the provincial government. Key projects of the state may be also granted the privilege, the official said.

Recently, Guangdong issued a regulation stipulating that individuals or units who use farmland for non-agricultural purposes must pay a land-use fee. From 1981 to 1985, farmland in Guangdong shrank at an annual average of 32,000 hectares, equivalent to the area of a middle-sized county.

HENAN PARTY COMMITTEE HOLDS PLENARY SESSION

HK050159 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 4 Dec 86

[Excerpts] The Fourth Plenary Session of the Fourth Henan Provincial CPC Committee was held in Zhengzhou from 1 to 4 December. The session was attended by 57 members and 13 alternate members of the provincial party committee. [passage omitted]

Provincial party committee Secretary Yang Xizong and Deputy Secretaries He Zhukang and Zhao Di presided at the session. Comrade Yang Xizong conveyed the spirit of the 6th Plenary Session of the 12th CPC Central Committee. The participants seriously studied the CPC Central Committee's resolution on the guiding principles for building socialist spiritual civilization.

The session held: It is essential to seriously study and profoundly appreciate the spirit of the resolution of the Sixth Plenary Session. We must view the strategic position of building socialist spiritual civilization from the angle of the all-round scheme for socialist modernization. We must profoundly understand the basic guiding principles for building socialist spiritual civilization and firmly adhere to its correct orientation. [passage omitted] The session stressed that in studying the resolution, it is essential to get a firm grasp of the orientation. We must uphold the four basic principles and also persevere in reform and opening up. We must strive to clarify a number of fundamental problems, and thoroughly understand them. We must pay attention to resolving problems of ideological understanding regarding building spiritual civilization.

Fully displaying democracy, the participants seriously discussed the draft of the provincial party committee's views on stepping up the building of socialist spiritual civilization in Henan during the Seventh 5-Year Plan. They unanimously held that the draft accords with the spirit of the resolution of the 6th Plenary session of the 12th CPC Central Committee with Henan's actual conditions. They agreed with the draft, and also proposed a number of amendments. The secretariat of the session made a number of amendments to the draft in the light of the views expressed. After discussion by the provincial party committee Standing Committee, it was unanimously agreed to submit the draft to the session for examination and approval. The provincial party committee's views on stepping up the building of spiritual civilization in Henan during the Seventh 5-Year Plan were unanimously approved by the members of the provincial party committee on 4 December. [passage omitted]

The session called on all prefectures, cities, counties, departments, and units to focus on deciding what should be done and what problems should be solved next year in building spiritual civilization. This should be done in accordance with the central decision and the provincial party committee's views, on the basis of thorough investigation and study, and in light of the outstanding problems in the different areas, systems, and units. It is essential to attach importance to practical results and do a thoroughly sound job in implementing the central resolution and the provincial party's views. [passage omitted] The province should score outstanding success in building the two civilizations to greet the 13th national party congress.

STANDING COMMITTEE MEETING OPENS IN HUBEI

HK040442 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 2 Dec 86

[Text] The 24th meeting of the 6th Hubei People's Congress Standing Committee opened in Wuchang today. The meeting will study the resolution of the CPC Central Committee on the guiding principles for building spiritual civilization, examine three draft laws and regulations, and listen to several work reports by the provincial government. Provincial People's Congress Standing Committee Chairman Huang Zhizhen presided over today's meeting.

The secretary general of the preceding provincial People's Congress Standing Committee gave an explanation of the draft agenda for this meeting. The meeting adopted this agenda. After that, Chu Yiwu, director of the provincial Geological and Mineral Product Bureau, gave an explanation of the Hubei provincial draft regulations on the management of township collective mining enterprises and individual mining. (Xiao Chuanrong), deputy secretary general of the provincial government, gave an explanation of the Hubei provincial draft regulations on the protection of the natural resources of Shennongjia Forest Region. (Sun Dehua), vice chairman of the provincial Education Commission, gave an explanation of the Hubei provincial draft regulations on conducting compulsory education.

Attending the meeting are vice chairmen of the provincial People's Congress Standing Committee, including Li Fuquan, Tang Zhe, Zhang Jinxian, Shi Chuan, Chu Chuanyu, Wang Zhizhou, Lin Shaonan, Wang Ruisheng, and Huang Zhengxia. Attending the meeting as nonvoting delegates are Wang Hanzhang, vice governor; Zhong Shuqin, chief procurator of the provincial people's procuratorate; and responsible persons of the provincial Higher People's Court, departments concerned of the provincial people's government, and all city and autonomous prefectural People's Congress Standing Committees.

HUNAN HOLDS PEOPLE'S ARMED FORCES WORK CONFERENCE

HK050535 Changsha Hunan Provincial Service in Mandarin 0100 GMT 4 Dec 86

[Text] At a provincial conference of county, city, and district People's Armed Force Department leaders and political commissars, which concluded on 3 December, provincial party committee Deputy Secretary Liu Fesheng pointed out: All county, city and district People's Armed Forces Departments must treat as guidance the resolution adopted by the 6th Plenary Session of the 12th CPC Central Committee on the guiding principle of building socialist spiritual civilization; should further strengthen the building of the People's Armed Forces; should make great efforts, particularly among militiamen, in popularizing and improving the work of building the two civilizations; and strive to create a new situation in the work concerning the reserve force of militia, so as to make new contributions for invigorating Hunan's economy and strengthen the building of the National Defense Reserve Force.

Jiang Jinliu, member of the provincial party committee Standing Committee and commander of the provincial Military District; and Gu Shanqing, political commissar, spoke at the conference.

Following the transfer of county, city, and district People's Armed Forces Departments to local authorities at the beginning of this year, the departments have made remarkable achievements in organizing militiamen to build the two civilizations.

According to statistics, the province now has more than 1.8 million militiamen engaging in township enterprise business and running household industry. It has also cultivated and employed over 55,000 demobilized servicemen and qualified personnel serving both the Army and the people. They have been playing a key role in the work of various areas.

SHENZHEN OUTPUT FORECAST 3.3 BILLION YUAN

HK041054 Hong Kong TA KUNG PAO in English 4-10 Dec 86 p 15

[Text] Mr Li Hao, Vice-Governor of Guangdong Province and Mayor of Shenzhen, predicted that the total industrial output value of the Shenzhen Special Economic Zone will reach RMB3.3 billion this year. Last year's total industrial output value was RMB2.6 billion, he said.

After five year's foundation work, Shenzhen will enter a new stage in the coming five years, continuing its emphasis on industrial production, Mr. Li noted.

Mr. Li made this remark during a visit to TA KUNG PAO on 28 November. At the invitation of Mr. Li Xiawen, Deputy Director of the newspaper, the Shenzhen mayor gave a brief account of the recent development of Shenzhen.

Mr. Li said that Shenzhen had a quick start in its development, so it needs a readjustment which has been underway over the past year with satisfactory results.

He cited foreign exchange as an example. During the January-September period, foreign exchange earnings reached U.S. \$500 million, the same as last year's figure.

On industrial development, Mr. Li said that over 20 new factories were set up in the special economic zone, an indication of steady development.

Though achieving satisfactory results, readjustment work will have to be continued and is expected to be very heavy, he stressed, categorizing the readjustment into three aspects: 1. Readjustment of personnel and enterprise management; 2. Reform of systems of ownership, wages, monetary and housing and 3. Improvement of investment conditions.

At present, most of the factories in Shenzhen are involved in light, textile and food processing industries. The special economic zone will continue to focus on small and medium-sized industries.

Accompanying Mr. Li on his visit to the newspaper were: Lu Zufa, Deputy Secretary-General of the Shenzhen Special Economic Zone; Zhou Kuan, General Manager of Nanhai Oil Exploration Service (Shenzhen) Corporation, Ou Huiwen, Editor-in-chief of the SHENZHEN SPECIAL ZONE DAILY; Ma Liuzhu, an official at the Shenzhen Office of the State Council; Zhang Shuzhi, General Manager of the Shum Yip Holdings Co. Ltd; Wang Qinmu, Office Manager of Shum Yip; and Yuan Chunxi, Secretary for the Shenzhen Municipal Government.

Mr. Li returned to Shenzhen via Hong Kong after visiting Japan. During his stay in Japan, he was well received by Japanese officials and businessmen including the Japanese Foreign Minister and some 300 entrepreneurs.

JILIN'S GAO DI SPEAKS ON ENFORCING STOCK SYSTEM

SK070322 Changchun Jilin Provincial Service in Mandarin 2200 GMT 6 Dec 86

[Text] Gao Di, secretary of the provincial party committee, recently went to Jilin City to inspect two collective-owned garment plants which have tried out the stock system.

He pointed out: It is a major reform that enterprises enforce the stock system. Enterprises can achieve significant development only when they eliminate the common big pot, and solve the problems in capital supply. Concerning the income distribution of collective-owned enterprises, they should pay taxes according to the law, operate independently, and have the remaining part at their disposal after paying what they should turn over to the state and setting aside what they should for the collective. To encourage fund raising, tax reductions should be granted to enterprises on their increased portion of profits which result from expanded production after enforcing the stock system. When enterprises improve their management, and increase their income, they may raise their workers' wages. The key, however, is to develop production and create wealth.

Comrade Gao Di stressed: In enforcing the stock system, we should not merely shift the ownership of enterprises to the collective and continue to carry out the same management techniques as state enterprises. Collective-owned enterprises should be more flexible than state enterprises. The staff members and workers of enterprises should carry out their various types of work on a contract basis. We may apply the method of centralizing management while decentralizing production, or the method of exercising unified management while distributing production jobs to households. In this way, we will not have to recruit new workers, or invest money to expand workshops. We should advocate the contract system. Budgetary enterprises may carry out the contract system, and collective-owned enterprises may all the more enforce the fixed tax payment system. Concerning the forms of the stock system, the simpler, the better. Staff members and workers may buy stocks, and stocks or bonds may also be issued to the public. The interest on the bonds should be higher than that of banks, and stockholders should share dividends. Collective-owned enterprises may issue stocks, so may state enterprises. Both can also buy stocks from each other so as to invigorate the capital market. From now on, we should allow state enterprises to have collective stockholders, and collective-owned enterprises to have state stockholders. Both enterprises may also issue stocks to individuals. We should not stick to a fixed pattern, but should adopt any pattern conducive to the development of productive forces.

GAO DI ATTENDS ARMED POLICE FORCES CONGRESS

SK060552 Changchun Jilin Provincial Service in Mandarin 2200 GMT 5 Dec 86

[Text] The first congress of the Armed Police Forces throughout the province opened in Changchun City on 5 December. Gao Di, secretary of the provincial party committee, attended the congress and delivered a congratulatory speech.

Since their founding in October of 1982, the Armed Police Forces throughout the province have successfully fulfilled their tasks of public security safeguarding and scoring marked achievements in revolutionizing, modernizing, and regularizing their troops. During the operations of combating the flood and rushing to deal with the emergency this year, they dispatched a large number of personnel and a large amount of material to rescue the victims and to protect the safety of the people's lives and property by fighting day and night at the forefront of the operation. Following the disaster, they also actively helped the victims restore their production and rebuild their houses and made marked contributions to the relief work.

TAIWAN HOLDS PARTIAL PARLIAMENTARY ELECTIONS

Election Results Reported

OW071611 Taipei CNA in English 1511 GMT 7 Dec 86

[Text] Taipei, Dec. 8 (CNA) -- Voter turnout in the nation's 1986 partial parliamentary elections held on Dec. 6 hit 65.4 percent of 11.8 million eligible registered voters, an increase of 2.23 percent as compared with 1983 Legislative Yuan elections, according to the statistics released by the Central Elections Committee [CEC] Sunday.

The Kuomintang gained 69.87 percent of the votes cast in the Legislative Yuan race, and 68.31 percent in the National Assembly elections, while the so-called "Democratic Progress Party," [DPP] yet to be legalized, got 22.17 percent and 18.90 percent of the votes in the two elections respectively, the CEC statistics show.

Nationwide, a total of 157 seats (84 in the National Assembly and 73 in the Legislative Yuan) were contested by 306 candidates. The Kuomintang won 127, the so-called "DPP," 23, and independents, 7.

The Kuomintang captured 68 seats of the 84 seats contested in the National Assembly and 59 of the 73 seats in the Legislative Yuan, showing seat-winning performances of 80.95 percent and 80.82 percent.

The "DPP" got 11 seats in the National Assembly and 12 in the Legislative Yuan, winning 13.09 percent and 16.44 percent of all seats up for election.

One seat in the National Assembly was captured by a Democratic Socialist, and four seats went to independents, while independents got the remaining two seats in the race for the Legislative Yuan.

The average age of the elected National Assemblymen this year is 47.11, showing a 2.15-year climb over the age of those who were elected in 1980. On the other hand, the average age of the elected legislators this year is 45.87, 2.59-year younger than that of legislators elected in 1983.

The official list of the elected members and the 27 members of the parliament selected overseas will be announced on Dec. 13 and their election certificates will be issued on January 20, 1987, the CEC reported.

Opposition Captures 23 Seats

HK070220 Hong Kong AFP in English 0216 GMT 7 Dec 86

[Text] Taipei, Dec 7 (AFP) -- Taiwan's first opposition party made a stunning debut Saturday capturing 23 seats in the crucial national elections and a party spokesman said the outcome showed the people's interest in a genuine two-party system.

"It is a great victory," the spokesman said after election officials announced that the Democratic Progressive Party (DPP), formed September 28 by mainly native Taiwanese politicians in defiance of martial law, had captured 12 seats in the key legislative Yuan and 11 seats in the National Assembly.

The opposition gains failed, however, to loosen the grip of the Kuomintang (KMT) on the two houses and the KMT's spokesman said that the ruling group had got more than 70 percent of the vote, "our best score in years."

The election involved 73 seats allocated to Taiwan in the legislature -- which makes Taiwan's laws -- and 84 seats in the assembly which considers amendments to the constitution and elects the president whom the nationalists say is the leader of all China.

After Taiwan's toughest election campaign yet, voting passed off peacefully, officials said. Turn out was 65.4 percent of the 11.8 million strong electorate, the electoral authorities said.

Final results showed that the KMT lost three seats in the legislature, finishing with 59 to its former 62. But it increased its members in the assembly by five to 68.

The National Assembly's membership has been boosted because of Taiwan's population growth.

In the legislature, independents won two seats. In the assembly they took four seats and another seat went to the Democratic Socialist Party which was founded on the mainland before the communist takeover.

The DPP had fielded a total of 44 candidates and their success exceeded all expectations, politicians who joined the DPP held five seats in the previous legislature and four in the assembly.

"Our share of the votes and the number of seats we have won is a great victory. This means that the people are really interested in a genuine two-party system," a DPP spokesman, Yen Chin-fu, told AGENCE FRANCE-PRESSE.

"With the backing of the votes we got today, we are hoping to push for more political reforms," he said, adding that the party would engage in "peaceful and fair competition with the KMT to create more well being for the people."

DPP candidates finished first in five races for the legislature and two for the National Assembly.

The vote came seven weeks after President Chiang Ching-kuo had announced political reforms saying that martial law -- in force since the nationalists fled to Taiwan after the communist victory in 1949 -- would be replaced by national security legislation and rules restricting political parties would be changed.

"The KMT considers the election a victory," said KMT spokesman James Soong, adding that the ruling group had won an "overwhelming majority of more than 70 percent of the vote."

"This is our best score in years," he told newsmen.

Mr Soong said the results showed that Mr Chiang's announcement of political reforms had been "well received".

Observers said that the KMT had lost considerable face in its historic duel with the DPP and that the result would spur on the opposition in its calls for more democracy.

While KMT veterans seemed to have difficulty digesting the setback, younger party officials admitted privately that it was salutary and that the challenge was inevitable.

The previous legislature had 322 members, most of them elected in 1947 in Mainland China. The previous assembly had 972 members, also mostly Mainland KMT stalwarts, and the ranks of both houses are regularly depleted by deaths.

Saturday's vote was for Taiwan members of the two houses and those elected for the island, considered a province by the nationalists, serve three-year terms in the legislature and six-year terms in the assembly.

CNA REPORTS HSU HSIN-LIANG BACK IN TOKYO

OW031521 Taipei CNA in English 1504 GMT 3 Dec 86

[Text] Tokyo, Dec. 3 (CNA) -- Taiwan dissident Hsu Hsin-liang arrived in Tokyo at 7:40 pm Wednesday on board Japan Airlines flight No. 742.

An informed source said that Hsu has been given a 72 hour visa-free transit entry permit by Japanese authorities.

Hsu left the new airport at Narita at 9:15 pm for Tokyo in a car driven by his friend, the informed source said.

Officials of Japan Airlines advised him to leave for Honolulu by the same plane, which left Narita at 8:55 pm, but he refused.

OFFICIAL DEFENDS PRESENCE AT PECC CONFERENCE

OW040123 Taipei CHINA POST in English 30 Nov 86 p 8

[Text] The Republic of China, [ROC], under the title "Chinese-Taipei Pacific Economic Cooperation Committee," attended a recent meeting of the Pacific Economic Cooperation Council [PECC] as a full member, Ministry of Foreign Affairs Spokesman Cheyne J.Y. Chiu said yesterday.

The nation has joined many international civic organizations to enlarge its international participation, by sticking to the basic anti-Communist policy and the principles of "no evasion, no retreat," he said at a news conference.

The ROC's joining the economic council is based on this consistent policy of the government, he said. Moreover, as an important economic power in the Asia-Pacific region, the ROC is fully entitled to the membership, he stressed.

The fifth general meeting of the council was held in Canada in mid-November. The Chinese Communist delegation was also present a member.

HONG KONGOFFICIALS PAY TRIBUTE TO FORMER GOVERNOR

Beijing Airport Ceremony Held

OWO61120 Beijing XINHUA in English 1109 GMT 6 Dec 86

[Text] Beijing, December 6 (XINHUA) -- The remains of Hong Kong Governor Sir Edward Youde, who died in sleep here Thursday night, were carried to Hong Kong aboard a British Royal Airforce plane under the escort of his wife and daughters this afternoon.

At a brief mourning ceremony held at Beijing airport, Jia Shi, president of the China Council for the Promotion of International Trade, laid a wreath, inscribed with the words "Eternal glory to Hong Kong Governor Sir Edward Youde," in front of the bier.

Jia extended condolences to Lady Youde and her daughters over the death of the governor.

Lady Youde thanked the trade council and other Chinese departments for their arrangements for her deceased husband. She said that the governor, who cherished special feelings for China, had spent many beautiful moments in the country.

Also on hand were Lu Ping, secretary-general of the Hong Kong and Macao Affairs Office under the Chinese State Council, Ke Zaishuo, director of the Hong Kong and Macao Affairs Office of the Chinese Foreign Ministry, British ambassador to China Sir Richard Evans, and Lydia Dunn, chairman of the Hong Kong Trade Development Council, who all stood in silent tribute before the bier in a cold wind.

Ke Zaishuo told XINHUA that Governor Youde, who had worked in China for a long time, was an old friend of the Chinese people.

"We are deeply grieved over the loss of such a good friend as Sir Edward Youde, who made contribution to Sino-British relations of friendship as well as the settlement of the Hong Kong question," he added.

Ji, Wu Send Condolences

OWO61552 Beijing XINHUA in English 1528 GMT 6 Dec 86

[Text] Beijing, December 6 (XINHUA) -- Chinese State Councillors Wu Xueqian and Ji Pengfei today sent messages of condolences to British Secretary of State for Foreign and Commonwealth Affairs Sir Geoffrey Howe over the death of Hong Kong Governor Sir Edward Youde.

The governor of Hong Kong, Sir Edward Youde, died in his sleep on Thursday night at the residence of the British ambassador to China in Beijing, while on a trip to the Chinese capital with a Hong Kong economic and trade delegation.

Expressing his shock and grief at the sudden death of Sir Edward in his message to Sir Geoffrey Howe, Chinese State Councillor and Foreign Minister Wu Xueqian spoke highly of Sir Edward's great contributions to the promotion of Sino-British relations and cooperation.

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Born in the Welsh town of Penarth, Sir Edward, 62, had been governor of Hong Kong since May 1982. He studied at the School of Oriental and African Studies at the University of London. Among his many postings as a diplomat he was head of Chancery of the U.K. Mission to the United Nations as well as a former ambassador to Beijing.

Wu asked the British foreign secretary to convey the heartfelt sympathies of the Chinese Government to Lady Pamela Youde and other members of his family as well as the government of the United Kingdom. Lady Pamela was visiting Xian at the time of her husband's death.

Ji Pengfei, chairman of the Hong Kong and Macao Affairs Office of the Chinese State Council, said in his message to Howe that "Sir Edward Youde was an outstanding diplomat with whom I enjoyed good relations of friendship, both official and personal."

Greatly grieved at his death, Ji said Sir Edward had made important contributions to the promotion of Sino-British cooperations.

Li Hou, vice chairman of the Hong Kong and Macao Affairs Office of the Chinese State Council, also sent a message of condolence today to Sir Richard Evans, ambassador of the United Kingdom to China.

He said Sir Edward "was our old acquaintance who contributed positively to the successful settlement of the Hong Kong question between China and the United Kingdom and the implementation of The Sino-British Joint Declaration."

NOTED HONG KONG FIGURE DIES IN BEIJING 3 DEC

OWO31158 Beijing XINHUA in English 1145 GMT 3 Dec 86

[Text] Beijing, December 3 (XINHUA) -- Wong Kwan-cheng, a noted Hong Kong personality, died of illness at the Beijing hospital early this morning at the age of 80.

Wong was a member of the Standing Committee of the Sixth National Committee of the Chinese People's Political Consultative Conference (CPPCC), the executive committee vice-chairman of the Consultative Committee for the Basic Law of the projected Hong Kong Special Administrative Region, and honorary chairman of Hong Kong's Chinese General Chamber of Commerce.

A ceremony to pay last respects to Wong will be held soon in Beijing. His ashes will be kept at the Babaoshan cemetery for revolutionaries in [the] west suburbs of Beijing, and his funeral [will] be held in Hong Kong afterwards.

During his stay in [the] hospital for the past month, CPPCC National Committee Chairwoman Deng Yingchao sent a get-well message.

Leaders from the Chinese Communist Party Central Committee, the National People's Congress Standing Committee and the State Council paid a visit to Wong Kwan-cheng while he was convalescing.

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